

**SCHOOL DISTRICT  
OF  
RUNNEMEDE**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Runnemede Board of Education**

**Runnemede, New Jersey**

**For the Fiscal Year Ended June 30, 2019**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**Runnemedede Board of Education**

**Runnemedede, New Jersey**

**For the Fiscal Year Ended June 30, 2019**

**Prepared by**

**Runnemedede Board of Education**

**Finance Department**

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OF THE RUNNEMEDE SCHOOL DISTRICT  
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## **INTRODUCTORY SECTION**

# *Runnemedede Board of Education*

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Dr. Sean McCarron  
Business Administrator

24 N. Black Horse Pike, 2nd Floor  
Runnemedede, NJ 08078  
(856) 931-5367 Fax: (856) 931-4446

November 13, 2019

Honorable President and  
Members of the Board of Education  
Runnemedede School District  
County of Camden, New Jersey 08078

Dear Board Members:

The Comprehensive Annual Financial Report of the Runnemedede Public School District (District) for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:**

The Runnemedede Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Runnemedede Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include comprehensive regular curriculum with appropriate support services, as well as special education for learning disabled/handicapped students. The District completed the 2018-2019 fiscal year with a June enrollment of 840 students. This represents twelve (12) less students than 2017-18. The following table details the changes in the student enrollment of the District over the last ten years.

**June 30 Enrollment**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2018-19	840	(1.40)%
2017-18	852	.23%
2016-17	850	(.12)%
2015-16	851	(2.18)%
2014-15	870	3.57%
2013-14	840	(1.52)%
2012-13	853	(1.04)%
2011-12	862	1.00%
2010-11	851	(0.12)%
2009-10	852	0.95%
2008-09	844	5.10%

**2. ECONOMIC CONDITION AND OUTLOOK:**

The adequacy formula was again insufficient for the Runnemedede School District because it was not fully funded. It fell short of meeting the needs of the growing "at risk" and total school populations. We estimated a significant shortfall when calculating the aid percentage that was commensurate with the formula and what we actually received. In addition, the District continued to recover from the loss of 2010-11 fund balance and reserves, which accounted for a sizeable amount of money that would have been earmarked for tax relief in the 2011-12 and 2012-13 budgets. While staffing levels remained consistent a newly negotiated collective bargaining agreement accounted for an average 2.8% increase for aligned staff and a 2% increase for non-aligned staff.

### **3. MAJOR INITIATIVES:**

The District's consistent focus is successful academic achievement based on instructional improvement. Guided reading continues to be implemented in all grade levels, providing an opportunity to differentiate instruction and meet the needs of individual learners. We have aligned our mathematics program to our sending high school district, providing our students with as many opportunities as possible. In addition we continue to implement our new mathematics curriculum in Grades K-8. Technology, Literacy, and Mathematics are areas we plan to provide job-embedded professional development. Ongoing professional development has been taking place on-site by having consultants push into classrooms to work with teachers and model lessons / best instructional practices.

RTI (Response to Intervention) is fully implemented in grades K-8. We continue to fine tune the program and ensure all staff are trained on the resources we have available. The RTI Model has increased conversations between staff members, students, and parents regarding student interventions available. RTI teachers provide a variety of services between pushing into the classroom and pulling out during the school day.

Technology continues to advance with the continuous upgrade of computer labs and increasing our 1:1 initiative to grades 2-8. All classrooms are equipped with Interactive Boards, and we are continually budgeting to upgrade this equipment. The web-based student information management system, Real-Time, is used again to include communication to families, lesson-planning, staff evaluations, POS for food service, and houses our special education documents.

As a district we are continually trying to improve the resources we are able to provide the students within our community. To this end, we are currently applying to receive preschool expansion grant funding. It is our goal to eventually provide a full day preschool 4 program to all students within the Runnemedede School District.

### **4. INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

## **5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2019.

## **6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

## **7. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **8. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**9. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

**10. ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Runnemede School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

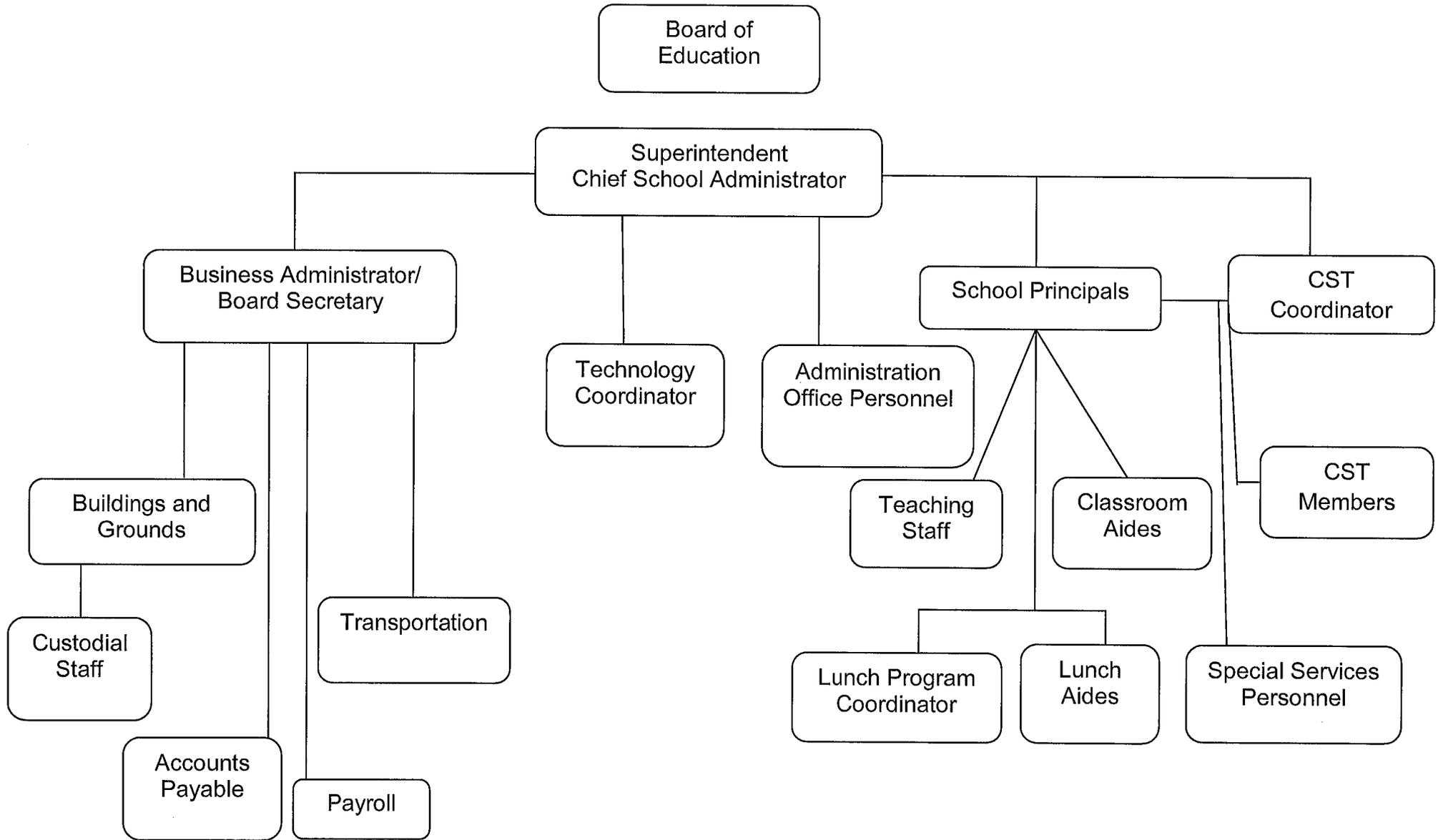
*Mark Iannucci*

Mark Iannucci, Superintendent

*Dr. Sean McCarron*

Dr. Sean McCarron, School Business  
Administrator

# RUNNEMEDE BOARD OF EDUCATION



**RUNNEMEDE BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2019**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Samantha Spaulding, President	2021
Naomi Davidson, Vice President	2019
Charles Buchheim	2021
Angel Beebe	2020
Dennis Leggoe	2020
Barbara Sams	2019
Patricia Adair	2021
Maria Panzarella	2019
Daniel Murray	2020
<u>OTHER OFFICIALS</u>	<u>BOND AMOUNT</u>
Mark Iannucci, Superintendent	
Dr. Sean R. McCarron, Board Secretary / Business Administrator	\$ 50,000
Alyse Dvorak, District Accountant	
Christie Ehret, Treasurer	200,000
Derlys Gutierrez, Solicitor	

**RUNNEMEDE BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Garrison Architects**  
1400 F Commerce Parkway  
Mount Laurel, NJ 08054

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA, PSA  
Nightlinger, Colavita and Volpa, PA**  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Adams, Stern, Gutierrez & Lattiboudere, LLC**  
744 Broad Street  
Suite 1600  
Newark, NJ 07102

**OFFICIAL DEPOSITORY**

**PNC Bank**  
Glendora, NJ 08029

**INSURANCE AGENCY**

**The Barclay Group**  
202 Broad Street, P.O. Box 244  
Riverton, NJ 08077

**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
RunnemedeSchool District  
County of Camden, New Jersey08078

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Runnemede School District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Runnemede Board of Education in the County of Camden, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to accounting and reporting for pensions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Runnemede School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2019 on our consideration of the Runnemede Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Runnemede School District's internal control over financial reporting over compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
November 13, 2019

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

RUNNEMEDE SCHOOL DISTRICT  
BOROUGH OF RUNNEMEDE

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

UNAUDITED

As management of the Runnemede Public School District, we offer readers of the financial statements this overall review of the School District's financial activities for the fiscal year ended June 30, 2019. While the intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the notes to the financial statements in conjunction with other sections of the CAFR, in order to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2019 are as follows:

- ❖ The assets of the School District exceeded its liabilities at the close of the fiscal year ended June 30, 2019 by \$5,920,061. This amount represents Net Position, which decreased by \$9,085 from the previous year-end.
- ❖ Total net position of governmental activities totaled \$5,820,032.
- ❖ General revenues, net of adjustments, accounted for \$16,639,927 in revenue or 86.9% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$2,511,184 or 13.1% of \$19,151,111 in total revenues.
- ❖ The School District had \$19,160,196 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$2,511,184, as mentioned above in arriving at the \$16,624,741 in net governmental activity expenses of the District. General revenues comprising property taxes of \$7,320,055, federal and state aid of \$9,164,492 and other miscellaneous revenues and adjustments of \$155,380 were adequate to provide for the governmental programs maintained by the school.
- ❖ The General Fund had \$14,953,486 in revenues, \$15,476,019 in expenditures and a decrease of \$42,518 in other financing uses. The General Fund's balance decreased by \$565,051 from 2018. This decrease was anticipated by the Board of Education and was attributed to appropriating matching funds for the capital projects approved with state aid.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Runnemede School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Runnemede School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. There are three school buildings maintained by the District, which are the Bingham Elementary School, the Downing Elementary School, and the Volz Middle School.
- ❖ **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District's major (all) funds begins on page 23. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

### **Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

**Governmental Funds (Continued)**

The Governmental Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same. The Food Service Fund is the only Enterprise Fund maintained by the District.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a comparative summary of the School District's net position for the years ended in 2019 and 2018.

Table 1  
Net Position

	2019	2018
<b>Assets</b>		
Current and Other Assets	\$ 3,026,218	\$ 3,785,511
Capital Assets, Net	7,603,158	6,779,893
Total Assets	10,629,376	10,565,404
<b>Deferred Pension Outflow</b>	1,735,338	2,365,684
<b>Liabilities</b>		
Long-term Liabilities	4,710,430	5,547,250
Other Liabilities	222,070	350,525
Total Liabilities	4,932,500	5,897,775
<b>Deferred Pension Inflows</b>	1,512,153	1,104,167
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	7,603,158	6,779,893
Restricted	2,325,918	2,702,504
Unrestricted (Deficit)	(4,009,015)	(3,553,251)
Total Net Position	\$ 5,920,061	\$ 5,929,146

Table 2 shows the changes in net position from fiscal year's 2019 and 2018.

Table 2  
Changes in Net Position

	2019	2018
<b>Revenues</b>		
Programs Revenues		
Charges for Services	\$ 374,644	\$ 323,090
Operating Grants and Contributions	2,136,540	1,664,589
General Revenues		
Property Taxes	7,320,055	7,176,525
Grants and Entitlements	9,164,492	9,388,814
Other	155,380	26,884
<b>Total Revenues</b>	<b>19,151,111</b>	<b>18,579,902</b>
<b>Program Expenses</b>		
Instruction	5,716,911	5,476,777
Support Services		
Tuition	310,457	548,059
Pupils and Instructional Staff	2,440,148	1,966,744
General Administration, School		
Administration, Business	1,048,384	1,024,234
Operations and Maintenance of Facilities	1,167,168	901,295
Pupil Transportation	261,415	284,728
Unallocated Employee Benefits	7,445,632	7,939,503
Enterprise Funds	557,153	430,862
Other	212,928	175,059
<b>Total Expenses</b>	<b>19,160,196</b>	<b>18,747,261</b>
<b>Decrease in Net Position</b>	<b>\$ (9,085)</b>	<b>\$ (167,359)</b>

### Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$18,618,066 in total governmental revenues for the fiscal year ended June 30, 2019, property taxes made up 39.3% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 59.8% and other revenues including adjustments made up .9%. The total cost of all program and services was \$18,603,043 of which the net amount spent on governmental activities was \$16,624,741. Of this amount, instruction comprised 30.5%.

**Business-Type Activities**

Revenues for the District’s business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenues by \$24,179 and Before and After Care revenues exceeded expenses by \$92.
- ❖ A subsidy from the General Fund to the food service fund was not required during the current year, as the food service operation completed the current school year with a positive net position. The District, therefore, identified the means to bring the food service cost of the District under control.
- ❖ Charges for services in the Food Service Fund represent \$100,104 of revenue. This represents the amount paid by patrons for daily food services for, representing 38.7% of the \$258,342 in total revenue in the Food Service Fund. The Before and After Care program had \$274,540 in charges to patrons.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$158,238 which represents 61.3% of the revenue.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions.

Table 3

	<u>Total Cost of Service 2019</u>	<u>Net Cost of Service 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>
Instruction	\$ 5,716,911	\$ 5,077,442	\$ 5,476,777	\$ 5,070,773
Support Services				
Tuition	310,457	310,457	548,059	548,059
Pupils and Instructional Staff	2,440,148	1,983,666	1,966,744	1,736,603
General Administration, School Administration, Business	1,048,384	1,048,384	1,024,234	1,024,234
Operation and Maintenance of Facilities	1,167,168	1,167,168	901,295	901,295
Pupil Transportation	261,415	261,415	284,728	284,728
Employee Benefits	7,445,632	6,563,281	7,939,503	7,055,957
Other	212,928	212,928	175,059	175,059
<b>Total Expenses</b>	<u>\$ 18,603,043</u>	<u>\$ 16,624,741</u>	<u>\$ 18,316,399</u>	<u>\$ 16,796,708</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

### The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$16,125,239 and expenditures of \$16,704,827. The net change in fund balance for the year was \$(622,106), which included a transfer to charter school of \$42,518. The School District is able to meet current operating costs with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent fund expenditures) for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 7,541,322	46.76%	\$ 273,752	2.07%
State Sources	8,070,101	50.05%	1,139,456	5.48%
Federal Sources	513,816	3.19%	(7,325)	-0.85%
Total	<u>\$ 16,125,239</u>	<u>100.00%</u>	<u>\$ 1,405,883</u>	<u>4.03%</u>

The increase in Local Sources is attributed to increases in the local tax levy of \$143,530, interest earned of \$17,801, miscellaneous revenue of \$59,941, and tuition income of \$55,085, offset by decreases in transportation of \$2,605.

The increase in State Sources is attributed to increases in general fund state aid of \$581,661 and grants for special projects of \$557,795.

The decrease in Federal Sources is attributed to decreases in various grant awards of \$7,325.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2019.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 5,713,653	34.2%	\$ 239,555	4.4%
Undistributed Expenditures	9,882,532	59.2%	1,107,249	12.6%
Capital Outlay	1,108,642	6.6%	425,113	62.2%
Total	\$ 16,704,827	100.0%	\$ 1,771,917	11.9%

The increase in Current – Instruction is attributed to increases in regular instruction of \$339,758 and other instruction of \$24,091, offset by a decrease in special education instruction of \$124,294.

The increase in Current – Undistributed Expenditures is attributed to increases in student related services of \$492,251, administrative costs of \$21,769, plant operations and maintenance of \$262,318, and employee benefits of \$594,883, offset by a decrease in district tuition of \$237,602 and transportation of \$26,370.

The increase of in capital outlay of \$425,113 includes various equipment expenditures.

There were no debt service payments, as the remaining debt was paid off in the 2013-14 school year.

### **General Fund Budgeting Highlights**

The School District's Budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2019, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Some of the normal budgetary situations requiring attention during the year are:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund normally plans to anticipate revenues, including surplus appropriated that would roughly equal expenditures, the actual results for the year show an actual decrease in fund balance of \$565,051. This result included a transfer to a Charter School of \$42,518.

- ❖ Actual revenues were \$591,811 higher than expected, (excluding On-Behalf pension and social security state aid of \$1,915,297), due to local source revenue of \$273,752, other state aid of \$322,044 and a decrease in medicaid of \$3,985.
- ❖ The actual expenditures were \$1,426,768 higher than expected, (excluding On-Behalf pension and social security state aid of \$1,915,297), due to positive variances in Instructional expenses of \$359,637, Pupil and staff support costs of \$74,666, Administrative costs of \$214,735, Plant and Maintenance costs of \$115,885, Employee Benefits of \$126,551, Tuition costs of \$166,216, Transportation costs of \$85,296 and capital outlay of \$283,782.

### Capital Assets

At the end of the fiscal year 2019 the School District had \$7,603,158 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2019 balances compared to 2018.

Table 4  
Capital Assets (Net of Depreciation) at June 30

	2019	2018
Land	\$ 29,083	\$ 29,083
Work in Progress	3,116,005	3,116,005
Site Improvements	396,690	179,905
Building and Improvements	3,586,529	3,110,006
Equipment	474,851	344,894
	\$ 7,603,158	\$ 6,779,893

Overall capital assets increased by \$823,265 from fiscal year 2018 to fiscal year 2019. Increases were \$234,282 in other site improvements, \$655,327 in building and building improvements and \$186,102 in equipment, offset by depreciation expense of \$252,446.

### **Debt Administration**

At June 30, 2019, the School District had \$515,184 as outstanding debt, all of which is for compensated absences.

At June 30, 2019, the School District's overall legal debt margin was \$15,321,810, all of which constitutes unvoted debt permitted by statute.

### **For the Future**

The Runnemede School District is presently in good financial condition. A major concern is the continued increases in mandated expenditures that are not aided by funding from the state. The Board of Education holds their annual school board election in November annually and agreed to reserve increase of tax levy to no more than two percent. While this ensures greater control over the budget, the restriction results in fiscally conservative decisions that may curtail programmatic growth and capital improvements.

It is the responsibility of the governing body to make decisions that are consistently centered on student achievement and preservation of the asset while remaining mindful of the taxpayer. The District will continue to pursue new ways to decrease spending where possible to ensure that funding is adequate to ensure attainment of the goal of quality educational programs for its students. This will be accomplished by maintaining exemplary practices in financial planning, budgeting and maintaining financial controls that are in accordance with state statutes and guidelines.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the Money it receives. If you have questions about this report or need additional information contact, Dr. Sean McCarron, Business Administrator/Board Secretary at Runnemede Board of Education, 24 N. Black Horse Pike, 2nd Floor, Runnemede, New Jersey 08078.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,257,899	\$ 92,351	\$ 2,350,250
Receivables, Net	660,476	13,411	673,887
Restricted Assets:			
Inventory		2,081	2,081
Capital Assets, Net (Note 5):	7,584,335	18,823	7,603,158
Total Assets	<u>10,502,710</u>	<u>126,666</u>	<u>10,629,376</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	<u>1,735,338</u>		<u>1,735,338</u>
<b>LIABILITIES</b>			
Accounts Payable	124,662		124,662
Other Liabilities	43,068		43,068
Unearned Revenue	48,264	6,076	54,340
Non-current Liabilities (Note 6):			
Due Within One Year	59,702		59,702
Due Beyond One Year	4,630,167	20,561	4,650,728
Total Liabilities	<u>4,905,863</u>	<u>26,637</u>	<u>4,932,500</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	<u>1,512,153</u>		<u>1,512,153</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	7,584,335	18,823	7,603,158
Restricted for:			
Capital Reserve	1,213,696		1,213,696
Maintenance Reserve	692,428		692,428
Excess Surplus	300,890		300,890
Other Purposes	118,904		118,904
Unrestricted (Deficit)	(4,090,221)	81,206	(4,009,015)
Total Net Position	<u>\$ 5,820,032</u>	<u>\$ 100,029</u>	<u>\$ 5,920,061</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 3,988,177	\$	\$ 639,469	\$ (3,348,708)	\$	\$ (3,348,708)
Special Education	1,252,223			(1,252,223)		(1,252,223)
Other Instruction	476,511			(476,511)		(476,511)
Support Services:						
Tuition	310,457			(310,457)		(310,457)
Student & Instruction Related Services	2,440,148		456,482	(1,983,666)		(1,983,666)
General and Business Administrative Service	395,716			(395,716)		(395,716)
School Administrative Services	401,802			(401,802)		(401,802)
Central Services	230,444			(230,444)		(230,444)
Admin Info Tech	20,422			(20,422)		(20,422)
Plant Operations and Maintenance	1,167,168			(1,167,168)		(1,167,168)
Pupil Transportation	261,415			(261,415)		(261,415)
Employee Benefits	7,445,632		882,351	(6,563,281)		(6,563,281)
Unallocated Depreciation	212,928			(212,928)		(212,928)
Total Governmental Activities	18,603,043		1,978,302	(16,624,741)		(16,624,741)
Business-type Activities:						
Food Service	282,521	100,104	158,238		(24,179)	(24,179)
Before and After Care	274,632	274,540			(92)	(92)
Total Business-type Activities	557,153	374,644	158,238		(24,271)	(24,271)
Total Primary Government	\$ 19,160,196	\$ 374,644	\$ 2,136,540	\$ (16,624,741)	\$ (24,271)	\$ (16,649,012)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 7,320,055		\$ 7,320,055
Federal, State and Local Aid Not Restricted				9,164,492		9,164,492
Tuition and Transportation Fees from other LEA'S				91,414		91,414
Investment Earnings				23,100	\$ 163	23,263
Miscellaneous Income				106,753		106,753
Transfers - To Charter School				(42,518)		(42,518)
Fixed Asset Adjustment				(23,532)		(23,532)
Total General Revenues, Special Items, Extraordinary Items and Transfers				16,639,764	163	16,639,927
Change in Net Position				15,023	(24,108)	(9,085)
Net Position—Beginning				5,805,009	124,137	5,929,146
Net Position—Ending				\$ 5,820,032	\$ 100,029	\$ 5,920,061

The accompanying Notes to Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

**GOVERNMENTAL FUNDS**

RUNNEMEDE BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 717,701	\$ 158,458	\$ 466,497	\$ 1,342,656
Cash and Cash Equivalents - Capital Reserve	413,696			413,696
Cash and Cash Equivalents -Maintenance Reserve	493,118			493,118
State Aid Receivable	278,570		339,335	617,905
Federal Aid Receivable		28,323		28,323
Interfund Receivable	793,548			793,548
Other Receivables	14,248			14,248
<b>Total Assets</b>	<b>\$ 2,710,881</b>	<b>\$ 186,781</b>	<b>\$ 805,832</b>	<b>\$ 3,703,494</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 50,864		\$ 73,798	\$ 124,662
Interfund Payable		171,989	613,130	785,119
Due to State of New Jersey		43,068		43,068
Unearned Revenue	19,485	28,779		48,264
<b>Total Liabilities</b>	<b>70,349</b>	<b>243,836</b>	<b>686,928</b>	<b>1,001,113</b>
Fund Balances:				
Restricted For:				
Excess Surplus	145,306			145,306
Excess Surplus - Designated for Subsequent Year's Expenditures	155,584			155,584
Maintenance Reserve Account	493,118			493,118
Maintenance Reserve Designated for Subsequent Year's Expenditures	199,310			199,310
Capital Reserve Account	413,696			413,696
Capital Reserve Designated for Subsequent Year's Expenditures	800,000			800,000
Assigned To:				
Year-End Encumbrances	72,945			72,945
Designated for Subsequent Year's Expenditures	452,759			452,759
Committed			118,904	118,904
Unassigned, Reported In:				
General Fund Balance (Deficit)	(92,186)			(92,186)
Special Revenue Fund Balance (Deficit)		(57,055)		(57,055)
<b>Total Fund Balances</b>	<b>2,640,532</b>	<b>(57,055)</b>	<b>118,904</b>	<b>2,702,381</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,710,881</b>	<b>\$ 186,781</b>	<b>\$ 805,832</b>	

Amounts reported for *governmental activities* in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$11,829,902 and the accumulated depreciation is \$4,245,567 (See Note 6)	7,584,335
Deferred Outflow of Resources - Deferred Pension Contribution.	1,735,338
Deferred Inflows of Resources - Pension Actuarial Gains.	(1,512,153)
Long Term Net Pension Liability	(4,195,246)
Long-term liabilities, including bonds payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(494,623)
<b>Net Position of Governmental Activities</b>	<b>\$ 5,820,032</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 7,320,055	\$	\$	\$ 7,320,055
Tuition from Individuals	10,613			10,613
Tuition from Other LEAS	86,160			86,160
Transportation Fees from Other LEAS	5,254			5,254
Interest Earned on Investments	22,559			22,559
Interest Earned on Capital Reserve Funds	262			262
Interest Earned on Maintenance Reserve Funds	279			279
Miscellaneous	21,640			21,640
Rent	74,500			74,500
<b>Total - Local Sources</b>	<b>7,541,322</b>			<b>7,541,322</b>
State Sources	7,374,273	695,828		8,070,101
Federal Sources	37,891	475,925		513,816
<b>Total Revenues</b>	<b>14,953,486</b>	<b>1,171,753</b>		<b>16,125,239</b>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	3,345,450	639,469		3,984,919
Special Education Instruction	1,252,223			1,252,223
Other Instruction	476,511			476,511
Support Services:				
Tuition	310,457			310,457
Student & Instruction Related Services	1,983,666	456,482		2,440,148
General Administrative Services	395,716			395,716
School Administrative Services	401,802			401,802
Central Services	216,959			216,959
Admin Info Tech	20,422			20,422
Plant Operations and Maintenance	1,147,060			1,147,060
Pupil Transportation	244,164			244,164
Employee Benefits	4,705,804			4,705,804
Capital Outlay	975,785	132,857		1,108,642
<b>Total Expenditures</b>	<b>15,476,019</b>	<b>1,228,808</b>		<b>16,704,827</b>
Excess (Deficiency) of Revenues Over Expenditures	(522,533)	(57,055)		(579,588)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Charter School	(42,518)			(42,518)
<b>Total Other Financing Sources and Uses</b>	<b>(42,518)</b>			<b>(42,518)</b>
Net Change in Fund Balances	(565,051)	(57,055)		(622,106)
Fund Balance—July 1	3,205,583		118,904	3,324,487
<b>Fund Balance—June 30 (Deficit)</b>	<b>\$ 2,640,532</b>	<b>\$ (57,055)</b>	<b>\$ 118,904</b>	<b>\$ 2,702,381</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ (622,106)

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(267,030)	
Fixed Asset Adjustment		(23,532)	
Capital outlays		1,108,642	
		818,080	818,080

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and differed inflows/outflows related to pension changed during the period. (225,217)

In the Statement of Activities, certain operating expenses, e.g. compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). 44,266

**Change in Net Position of Governmental Activities (A-2)** \$ 15,023

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**PROPRIETARY FUNDS**

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Before and After Care</b>	<b>Totals</b>
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 25,770	\$ 75,010	\$ 100,780
Accounts Receivable	9,973	3,438	13,411
Inventory	2,081		2,081
<b>Total Current Assets</b>	<b>37,824</b>	<b>78,448</b>	<b>116,272</b>
Fixed Assets:			
Equipment	22,679		22,679
Accumulated Depreciation	(3,856)		(3,856)
<b>Total Fixed Assets</b>	<b>18,823</b>		<b>18,823</b>
<b>Total Assets</b>	<b>56,647</b>	<b>78,448</b>	<b>135,095</b>
<b>LIABILITIES:</b>			
Current Liabilities:			
Interfund Payable	6,429	2,000	8,429
Unearned Revenue	4,472	1,604	6,076
<b>Total Current Liabilities</b>	<b>10,901</b>	<b>3,604</b>	<b>14,505</b>
Non-Current Liabilities			
Compensated Absences	20,561		20,561
<b>Total Liabilities</b>	<b>31,462</b>	<b>3,604</b>	<b>35,066</b>
<b>NET POSITION:</b>			
Invested in Capital Assets Net of Related Debt	18,823		18,823
Unrestricted	6,362	74,844	81,206
<b>Total Net Position</b>	<b>\$ 25,185</b>	<b>\$ 74,844</b>	<b>\$ 100,029</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Business-type Activities - Enterprise Fund		
	Food Service	Before and After Care	Total Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 53,098	\$	\$ 53,098
Daily Sales - Non-Reimbursable Programs	47,006		47,006
Program Fees		274,540	274,540
Total Operating Revenue:	100,104	274,540	374,644
Operating Expenses:			
Salaries	106,328	174,158	280,486
Employee Benefits	13,524		13,524
Supplies and Materials	29,735	29,974	59,709
Building Usage		70,500	70,500
Cost of Sales - Reimbursable Programs	107,744		107,744
Cost of Sales - Non Reimbursable Programs	23,946		23,946
Depreciation	1,244		1,244
Total Operating Expenses	282,521	274,632	557,153
Operating Income (Loss)	(182,417)	(92)	(182,509)
Non-operating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,617		2,617
Federal Sources:			
National School Lunch Program	113,430		113,430
National School Breakfast Program	31,572		31,572
Food Distribution Program	10,619		10,619
Interest	163		163
Total Non-operating Revenues (Expenses)	158,401		158,401
Income (Loss) Before Contributions & Transfers	(24,016)	(92)	(24,108)
Transfers In (Out)			
Change in Net Position	(24,016)	(92)	(24,108)
Total Net Position—Beginning	49,201	74,936	124,137
Total Net Position—Ending	\$ 25,185	\$ 74,844	\$ 100,029

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Business-type Activities Enterprise Funds		
	Food Service	Before and After Care	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 100,104	\$ 274,540	\$ 374,644
Payments to Employees	(119,852)	(174,158)	(294,010)
Payments to Suppliers	(122,887)	(99,385)	(222,272)
Net Cash Provided by (used for) Operating Activities	(142,635)	997	(141,638)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	2,617		2,617
Federal Sources	145,002		145,002
Net Cash Provided by (used for) Non-capital Financing Activities	147,619		147,619
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets	(6,429)		(6,429)
Net Cash Provided by (used for) Capital and Related Financing Activities	(6,429)		(6,429)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends	163		163
Net Cash Provided by (used for) Investing Activities	163		163
Net Increase (Decrease) in Cash and Cash Equivalents	(1,282)	997	(285)
Balances—Beginning of Year	27,052	74,013	101,065
Balances—End of Year	\$ 25,770	\$ 75,010	\$ 100,780
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating Income (Loss)	\$ (182,417)	\$ (92)	\$ (182,509)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities			
Depreciation and Net Amortization	1,244		1,244
Food Distribution Program	10,619		10,619
(Increase)/Decrease in Accounts Receivable, Net	359	11	370
(Increase)/Decrease in Inventory	(837)		(837)
Increase/(Decrease) in Interfund Payable	6,429		6,429
Increase/(Decrease) in Deferred Revenue	1,407	1,078	2,485
Increase/(Decrease) in Compensated Absences	20,561		20,561
Total Adjustments	39,782	1,089	40,871
Net Cash Provided by (used for) Operating Activities	\$ (142,635)	\$ 997	\$ (141,638)

Noncash Noncapital Financing Activities:

During the year, the District received \$11,497 of Food Commodities from the U. S. Department of Agriculture

**The accompanying Notes to Financial Statements are an integral part of this statement.**

## **FIDUCIARY FUNDS**

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	<b>Unemployment Compensation Insurance Trust</b>	<b>Agency Funds</b>	
		<b>Student Activity</b>	<b>Payroll</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 105,976	\$ 11,821	\$ 82,119
Cash from Fiscal Agent			13,352
Due from Payroll Agency Account	7,275		
Total Assets	\$ 113,251	\$ 11,821	\$ 95,471
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings	\$	\$	\$ 74,844
Due to Unemployment Account			7,275
Flexible Spending Reserve			13,352
Payable to Student Groups		11,821	
Total Liabilities		\$ 11,821	\$ 95,471
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 113,251		

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Unemployment Compensation Insurance Trust</b>
<b>ADDITIONS</b>	
Contributions - Employee	\$ 20,227
Interest Earnings	751
	<hr/>
Total Additions	20,978
	<hr/>
<b>DEDUCTIONS</b>	
Unemployment Claims	11,178
	<hr/>
Total Deductions	11,178
	<hr/>
Change in Net Position	9,800
Net Position—Beginning of the Year	103,451
	<hr/>
Net Position—End of the Year	\$ 113,251
	<hr/> <hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

**A. Description of Reporting Entity:**

The Borough of Runnemede School District (School District) is a Type II School District located in the County of Camden, State of New Jersey and covers an area of approximately two square miles. As a Type II School District, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for all of Runnemede's students in grades K through 8. Student in grades 9 through 12 attend the Black Horse Pike Regional High School District. The Runnemede School District has an approximate enrollment at June 30, 2019 of 840 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- The organization is legally separate (can sue or be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**New Accounting Standards:**

The School District has adopted the following GASB statements:

- GASB No. 83 - *Certain Asset Retirement Obligations*: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The requirements of Statement will be effective for reporting periods beginning after June 15, 2018. The adoption of GASB 83 is not expected to impact the financial statements of the School District.
- GASB No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The adoption of GASB 88 is not expected to impact the financial statements of the School District.

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2018. The Board is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**New Accounting Standards (Cont'd):**

- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
  
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
  
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.
  
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.

**A. Basis of Presentation:**

The financial statements of the Board of Education (Board) of the Runnemedeschool District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental funds, provided that they do not conflict with or contradict GASB pronouncements. The more significant of the Board's accounting policies are described below.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. Basis of Presentation (Cont'd):**

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and was scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

The District's basic financial statements consist of District-Wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**District-Wide Statements** - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. Eliminations have been made to minimize the double counting of internal activities. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting:**

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**GOVERNMENTAL FUNDS** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

**General Fund** - The General Fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities states that General Fund resources may be used to directly finance capital outlays for longlived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenues from the State and Federal Government, other than major capital projects, debt service, or the enterprise funds and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The School District has open receivables for three completed NJSDA Projects in the Capital Projects Fund.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting (Cont'd):**

**GOVERNMENTAL FUNDS(Cont'd)**

**Permanent Fund**- The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the School District's programs, that is, for the benefit of the school district or its students. The School District does not maintain a Permanent Fund.

**PROPRIETARY FUNDS** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

**Enterprise Funds** - These funds are used to account for operations:

That are financed in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or where the School District has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Food Service Fund** - The School District's only enterprise funds is the Food Service Fund, which accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment	12 Years
Light Trucks and Vehicles	4 Years

**FIDUCIARY FUNDS** - Fiduciary Fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting: (Cont'd)**

**FIDUCIARY FUNDS(CONT'D)**

**Trust and Agency Funds-** The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund-** An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Unemployment Compensation Insurance Fund is an Expendable Trust Fund.

**Nonexpendable Trust Fund-** A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

**Agency Funds-** Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**C. Measurement Focus:**

**District-Wide Financial Statements** - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-Wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Position, with the exception of the Fiduciary Funds.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-Wide financial statements are prepared. Governmental Fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the District-Wide statements and the statements for governmental funds.

Like the District-Wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Fund Net Position presents increases (i.e. revenues) and decreases (i.e. expenses) in net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-Wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

**Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the resources are provided to the School District on a reimbursement basis. The restricted formula aids (i.e. Demonstrably Effective Program Aid and Instructional Supplement Program Aid) are recorded in the special revenue fund in accordance with the Audit Program promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

**Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Lease Acquisition Costs:**

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2019.

**F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any.

Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund, as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1 and C-2, include all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the General Fund Budgetary Comparison schedule and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows the modified accrual basis, with the exception of the recognition policy for the last state aid payment.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**G. Encumbrance Accounting:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**H. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments state at cost. All other investments would be stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions of which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts as follows:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2019 the District had no funds on deposit with the New Jersey Cash Management.

**Deposits:**

N.J.S.A. 17:9-41, et seq. establishes requirements for the security of deposits of governmental units. The statutes require that School Districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office on the state of New Jersey, the deposits of which are federally insured.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**H. Cash, Cash Equivalents and Investments (Cont'd):**

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

**I. Tuition Receivable:**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**J. Tuition Payable:**

Tuition charges for the fiscal years ended June 30, 2019, 2018 and 2017 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**K. Inventories:**

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

On District-Wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used.

The Food Service inventory as of June 30, 2019 consisted of \$878 in Federal Commodity Inventory, \$501 in purchased food and \$702 in supplies for a total of \$2,081.

**L. Prepaid Expenses:**

Prepaid expenses recorded on the District-Wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**M. Short-Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

**N. Restricted Assets:**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets include bond proceeds to be used for capital construction and amounts set aside to create a reserve for future capital projects.

**O. Deferred Charges - Bond Issue Costs:**

On the District-wide financial statements, bond issue costs were previously deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. In governmental funds, these costs are reported as expenditures when the related liability is incurred. Unearned revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied. Beginning after the 2013-14 year the District will expense bond issue costs when incurred.

**P. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the District-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the District-Wide Statement of Net Position and the Proprietary Fund Statement of Net Position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**RUNNEMEDE BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**P. Capital Assets (Cont'd):**

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
School Buildings	50 Years	N/A
Building Improvements	50 Years	N/A
Site Improvements	20 Years	N/A
Machinery and Equipment	5-20 Years	12 Years

**Q. Unearned Revenue:**

Unearned revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied. This includes expenditure encumbrances in special revenue fund.

**R. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund

**S. Compensated Absences:**

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The entire compensated absence liability is reported on the District-Wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**T. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, contractually required pension contributions, special termination benefits and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

**U. Net Position:**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**V. Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, legally restricted appropriations, excess surplus and capital reserve program.

**W. Interfund Activity:**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

**X. Management Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Accordingly, actual results may differ from those estimates.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Y. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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**Z. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**AA. Comparative Data/Reclassifications:**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

As of June 30, 2019, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and</u> <u>Equivalents</u>
Checking Accounts	\$ 2,550,166
Cash with Fiscal Agent	<u>13,352</u>
Total	\$ <u>2,563,518</u>

**Custodial Credit Risk**- Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2019, the District's bank balance of \$3,287,521 was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000
Uninsured and collateralized by	
GUDPA by pledging financial institutions	<u>3,037,521</u>
Total	\$ <u>3,287,521</u>

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Runnemede Board of Education on June 30, 2008 for accumulating funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects reflected in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4. CAPITAL RESERVE ACCOUNT (CONT'D)**

The activity of the Capital Reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$	1,598,434
2018-19 Addition		845,000
Interest Earnings		262
		<hr/> 2,443,696
Less: Transfers Out		(1,230,000)
Ending Balance, June 30, 2019	\$	<hr/> <hr/> 1,213,696

Of this balance, \$800,000 was utilized in the 2019-20 budget.

The June 30, 2019 LRF balance of local support costs of uncompleted capital projects at June 30, 2019 is \$7,389,180. There were no withdrawals from the capital reserve for use in a DOE approved facilities projects during the year under audit. Consistent with the District's Long Range Facilities Plan, projects are planned in the near future.

**NOTE 5. MAINTENANCE RESERVE**

The activity of the Maintenance Reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$	692,149
Interest Earnings		279
		<hr/> 692,428
Less: Transfers Out		
Ending Balance, June 30, 2019	\$	<hr/> <hr/> 692,428

Of this balance, \$199,310 was utilized in the 2019-20 budget.

The balance in the Maintenance Reserve as of June 30, 2019 is within the maximum amount shown in the 2019 budget.

**RUNNEMEDE BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	<b>Beginning Balance 7/1/2018</b>	<b>Additions</b>	<b>Adjustments/ Retirements</b>	<b>Ending Balance 6/30/2019</b>
Governmental Activities:				
Capital Assets that are not being depreciated:				
Land	\$ 29,083			\$ 29,083
Construction in Progress	3,116,005			3,116,005
Total Capital Assets not being depreciated	3,145,088			3,145,088
Site Improvements	509,659	\$ 234,223	\$ 59	743,941
Building and Building Improvements	6,143,495	655,327		6,798,822
Equipment	962,378	219,092	(39,419)	1,142,051
Totals at Historical Cost	7,615,532	1,108,642	(39,360)	8,684,814
Less Accumulated Depreciation for :				
Site Improvements	(329,754)	(17,497)		(347,251)
Building and Improvements	(3,033,489)	(178,804)		(3,212,293)
Equipment	(631,122)	(70,729)	(15,828)	(686,023)
Total Accumulated Depreciation	(3,994,365)	(267,030)	(15,828)	(4,245,567)
Total Capital Assets being depreciated, Net of Accumulated Depreciation	3,621,167	841,612	23,532	4,439,247
<b>Government Activities Capital Assets, Net</b>	<b>\$ 6,766,255</b>	<b>\$ 841,612</b>	<b>\$ 23,532</b>	<b>\$ 7,584,335</b>
	To A-1			<b>To A-1</b>
Business-Type Activities - Equipment	\$ 16,250	\$ 6,429		\$ 22,679
Less Accumulated Depreciation	(2,612)	(1,244)		(3,856)
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 13,638</b>	<b>\$ 5,185</b>	<b>\$ -</b>	<b>\$ 18,823</b>

Depreciation Expense in the amount of \$267,030 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 3,258
Plant Operations	20,108
Central Administration	13,485
Transportation	17,251
Unallocated	212,928
	<u>\$ 267,030</u>

**RUNNEMEDE BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 7. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2019 the following changes occurred in long-term obligations:

	<u>Beginning Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
<b>Governmental Activities:</b>						
Bonds Payable:						
General Obligation Debt	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Bonds Payable						
Other Liabilities:						
Net Pension Liability	5,008,361		813,115	4,195,246		4,195,246
Compensated Absences Payable	538,889		44,266	494,623	59,702	434,921
Total Other Liabilities	\$ 5,547,250	\$ _____	\$ 857,381	\$ 4,689,869	\$ 59,702	\$ 4,630,167
<b>Business-Type Activities:</b>						
Compensated Absences Payable	\$ _____	\$ 20,561	\$ _____	\$ 20,561	\$ _____	\$ 20,561

**A. Bonds Payable**-Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. There were no principal and interest due on bonds outstanding as of June 30, 2019.

**B. Bonds Authorized But Not Issued- As of June 30, 2019**      None.

**C. Capital Leases**      None.

**NOTE 8. OPERATING LEASES**

At June 30, 2019, the District had operating lease agreement for 5 copiers with payments made in the 2018-2019 school year. On July 1, 2019, the District entered into a new 5 year lease agreement ending on June 30, 2024 with annual payments of \$35,000 with the Borough of Runnemede. The future minimum lease payments are as follows:

Year Ending June 30,	<u>Amount</u>
2020	\$ 48,008
2021	48,008
2022	39,336
2023	35,000
2024	35,000
Total	<u>\$ 205,352</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9. PENSION PLANS**

**Description of Plans-** Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2018 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2019 were 111,503. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2019 is 13.37% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2019, and 2018, were \$213,641 and \$204,668 respectively.

The total payroll for the year ended June 30, 2019 was \$8,099,840. Payroll covered by PERS was \$1,486,705 for fiscal year 2019.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Components of Net Pension Liability** - At June 30, 2019, the District's proportionate share of the PERS net pension liability was \$4,195,246. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The District's proportion measured as of June 30, 2018 was 0.021307% which was a decrease of 0.00021% from its proportion measured as of June 30, 2017.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2019 PERS pension expense, with respect to GASB 68, was \$446,124. The District's 2019 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 80,004	\$ 21,632
Changes of assumptions	691,307	1,341,417
Net difference between projected and actual earnings on pension plan investments		39,352
Changes in proportion	750,386	109,752
Contributions subsequent to the measurement date	213,641	
Total	<u>\$ 1,735,338</u>	<u>\$ 1,512,153</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>PERS</u>
2020	\$ 144,094
2021	67,599
2022	(112,714)
2023	(83,259)
2024	(6,175)
Thereafter	
Total	<u>\$ 9,545</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Additional Information-Collective Balances at June 30, 2019 and 2018 are as follows:**

Year	2019	2018
Collective deferred outflows of resources	\$ 1,735,338	\$ 2,365,684
Collective deferred inflows of resources	\$ 1,512,153	\$ 1,104,167
Collective Net Pension Liability	\$ 4,195,246	\$ 5,008,361
District's Proportion	0.021307%	0.021515%

**Actuarial Assumptions** - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>PERS</u></b>
Measurement Date	June 30, 2018
Actuarial Valuation Date	July 1, 2017
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Inflation	2.25%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	PERS Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Client Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
Total	100.00%	

**Discount Rate** - The discount rate, as of June 30, 2018, used to measure the total pension liability was 5.66% for PERS. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	<u>1% Decrease (4.66%)</u>	<u>Current Discount (5.66%)</u>	<u>1% Increase (6.66%)</u>
District's Proportionate Share of the Net Pension Liability	\$ <u>5,275,039</u>	\$ <u>4,195,246</u>	\$ <u>3,289,369</u>

**Teachers' Pension and Annuity Fund**

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a costsharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer-contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$1,031,576 to the TPAF for pension contributions, \$467,921 for post-retirement benefits on behalf of the School, and \$1,370 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$414,430 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Components of Net Pension Liability** - At June 30, 2019, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

**Pension Expense** - For the year ended June 30, 2019, the District recognized pension expense of \$1,808,893 and revenue of \$1,808,893 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
Measurement Date	June 30, 2018
Actuarial Valuation Date	July 1, 2017
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Inflation	2.25%

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Long-Term Expected Rate of Return** - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	TPAF	
	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Client oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	<u>1% Decrease</u> <u>(3.86%)</u>	<u>Current</u> <u>Discount</u> <u>(4.86%)</u>	<u>1% Increase</u> <u>(5.86%)</u>
State's Share of the Net Pension Liability associated with the District	\$ 36,784,584	\$ 31,029,190	\$ 26,426,263
State's Share of the Net Pension Liability	\$ <u>75,417,894,537</u>	\$ <u>63,806,350,446</u>	\$ <u>54,180,663,328</u>

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

As of June 30, 2017, the Local Education Retired Plan had 99,686 Inactive employees or beneficiaries currently receiving benefit payments and 224,418 Active employees.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Special Funding Situation**

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2018, was \$46,110,832,982. Of this amount, the total OPEB liability attributable to the School District was \$32,519,434. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.07052%. The total OPEB liability for the School District measured as of June 30, 2018 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2018 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Years of Service	Age	Age
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**Total Nonemployer OPEB Liability (Cont'd)**

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of all active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Discount rate**

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Changes in the Total OPEB Liability**

State of New Jersey	<b><u>Total OPEB Liability</u></b>
<b>Balance as of June 30, 2017 Measurement Date</b>	<b>\$ <u>53,639,841,858</u></b>
Changes for the year:	
Service Cost	1,984,642,729
Interest	1,970,236,232
Changes of Benefit Terms	
Differences between Expected and Actual	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Benefit Payments	(1,232,987,247)
Contributions from Members	<u>42,614,005</u>
<b>Net Changes</b>	<b><u>(7,529,008,876)</u></b>
<b>Balance as of June 30, 2018 Measurement Date</b>	<b>\$ <u><u>46,110,832,982</u></u></b>

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<b>June 30, 2018</b>		
At 1.00% Decrease 2.87%	At Discount Rate 3.87%	At 1.00% Increase 4.87%
\$ 54,512,391,175	46,110,832,982	39,432,461,816

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

<b>June 30, 2018</b>		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 38,113,289,045	46,110,832,982	56,687,891,003

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the School District recognized OPEB expense of \$1,164,380. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$	\$ 3,156,737
Changes of Assumptions		7,289,397
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion		1,962,271
Contributions Subsequent to the Measurement Date		
Total	\$	\$ 12,408,405

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,		OPEB
2019	\$	(1,517,638)
2020		(1,517,638)
2021		(1,517,638)
2022		(1,517,638)
2023		(1,517,638)
Thereafter		(4,820,215)
Total	\$	(12,408,405)

**NOTE 11. COMPENSATED ABSENCES**

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to employees. As of June 30, 2019, a liability existed for compensated absences in the governmental fund in the amount \$494,623 and \$20,561 in the business-type fund.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 12. DEFERRED COMPENSATION**

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by an outside organization, approved by the School District, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements. The plan administrators are as follows:

Siracusa	Lincoln Investment Planning
Fidelity Investments	Vanguard AXA Equitable

**NOTE 13. CONTINGENCIES**

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the School District's future operation is not yet determinable.

**NOTE 14. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

**Property and Liability Insurance** - The School District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**Joint Insurance Pool**- The School District is a member of the New Jersey School Boards Association Insurance Group, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if any. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 14. RISK MANAGEMENT (CONT'D)**

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$	\$ 20,978	\$ 11,178	\$ 113,251
2017-2018		19,620	5,947	103,451
2016-2017		29,276	18,151	89,778

**NOTE 15. INTERFUND RECEIVABLES AND PAYABLES**

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 793,548	\$
Special Revenue Fund		171,989
Capital Projects Fund		613,130
Food Service		6,429
Before and After Care		2,000
Total	<u>\$ 793,548</u>	<u>\$ 793,548</u>

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund**-Of the \$2,640,532 General Fund balance at June 30, 2019, \$72,945 is assigned for Encumbrances; \$1,213,696 has been restricted in the Capital Reserve Account, of which \$800,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2020; \$692,428 is restricted for Maintenance Reserve, of which \$199,310 has been appropriated and also included as anticipated revenue for the year ending June 30, 2020; \$300,890 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which \$155,584 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020; \$452,759 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2020; and there is a Deficit in unreserved and undesignated fund balance of (\$92,186).

**Debt Service Fund** -There is no fund balance in the Debt Service Fund at June 30, 2019.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 17. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1,701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$300,890, of which \$155,584 was budgeted in the 2019-20 budget and \$145,306 must be budgeted in the 2020-21 budget.

**NOTE 18. DEFICIT FUND BALANCES**

The District has a deficit in Unassigned fund balance of (\$92,186) in the General Fund and (\$57,055) in the Special Revenue Fund as of June 30, 2019 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

Due to the timing difference of recording the last state aid payment, the deficit in the General Fund balance does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A.18A:22-44.2, any negative unreserved, undesignated general fund and special revenue fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payment of \$534,000 and the special revenue fund deficit is equal to the last state aid payment.

**NOTE 19. RECEIVABLES**

Receivables at June 30, 2019 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>
Federal	\$	\$ 28,323	\$	\$ 8,089
State	278,570		339,335	141
Other	14,428			5,181
Totals	<u>\$ 292,998</u>	<u>\$ 28,323</u>	<u>\$ 339,335</u>	<u>\$ 13,411</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 20. TAX ABATEMENT**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

**NOTE 21. LITIGATION**

The District is not involved in any lawsuit incidental to its operations and the administration and legal council are not aware of any matters pending or threatened, which are likely to have a material adverse effect on the financial position of the District.

**NOTE 22. SUBSEQUENT EVENTS**

On July 1, 2019, the District entered into a lease of office space with the Borough of Runnemede. The terms of the lease are referenced in Note 8 above. There were no other events noted, between the year-end and the date of the audit report, requiring disclosure.

End of Notes to Financial Statements

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Budget Amendments/ Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 7,320,055	\$	\$ 7,320,055	\$ 7,320,055	\$
Tuition From Individuals				10,613	10,613
Tuition From Other LEAs	29,920		29,920	86,160	56,240
Transportation Fees From Other LEAs	10,000		10,000	5,254	(4,746)
Interest on Investments				22,559	22,559
Interest Earned on Capital Reserve	262		262	262	
Interest Earned on Maintenance Reserve	279		279	279	
Rents				74,500	74,500
Miscellaneous	1,250		1,250	21,640	20,390
<b>Total - Local Sources</b>	<b>7,361,766</b>		<b>7,361,766</b>	<b>7,541,322</b>	<b>179,556</b>
<b>State Sources:</b>					
Equalization Aid	4,326,621		4,326,621	4,326,621	
Special Education Aid	481,898		481,898	481,898	
School Choice	102,397		102,397	102,397	
Transportation Aid	166,787		166,787	166,787	
Security Aid	175,149		175,149	175,149	
Extraordinary Aid	81,804		81,804	247,764	165,960
Non-Public Transportation				4,640	4,640
Homeless Tuition				5,438	5,438
On-behalf Pension Contribution				1,031,576	1,031,576
On-behalf TPAF Post Retirement Medical Contribution				467,921	467,921
On-behalf TPAF Long-Term Dissability Contribution				1,370	1,370
Reimbursement TPAF Social Security				414,430	414,430
<b>Total - State Sources</b>	<b>5,334,656</b>		<b>5,334,656</b>	<b>7,425,991</b>	<b>2,091,335</b>
<b>Federal Sources:</b>					
Medicaid Reimbursement	25,984		25,984	37,891	11,907
<b>Total - Federal Sources</b>	<b>25,984</b>		<b>25,984</b>	<b>37,891</b>	<b>11,907</b>
<b>TOTAL REVENUES</b>	<b>\$ 12,722,406</b>	<b>\$</b>	<b>\$ 12,722,406</b>	<b>\$ 15,005,204</b>	<b>\$ 2,282,798</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Instruction - Regular Programs:</b>					
<b>Salaries of Teachers:</b>					
Kindergarten	\$ 319,840	\$	\$ 319,840	\$ 313,288	\$ 6,552
Grades 1-5	1,672,812	(85,000)	1,587,812	1,417,343	170,469
Grades 6-8	1,047,436	(10,112)	1,037,324	1,022,353	14,971
<b>Home instruction:</b>					
Salaries of Teachers	8,600	112	8,712	8,712	
<b>Regular Programs - Undistributed - Instruction:</b>					
Other Salaries for Instruction	54,265	3,088	57,353	57,353	
Purchased Prof/Ed Services	153,500	4,300	157,800	153,522	4,278
Purchased Technical Services	50,000	(7,888)	42,112	25,164	16,948
Other Purchased Services	35,000	500	35,500	26,435	9,065
General Supplies	300,000	33,770	333,770	300,154	33,616
Textbooks	85,000	(33,100)	51,900	21,126	30,774
<b>Total Regular Programs</b>	<b>3,726,453</b>	<b>(94,330)</b>	<b>3,632,123</b>	<b>3,345,450</b>	<b>286,673</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENSES: (Continued)</b>					
<b>Special Education</b>					
Multiple Disabilities:					
Salaries of Teachers	\$ 259,338	\$ 52,350	\$ 311,688	\$ 302,826	\$ 8,862
Purchased Prof/Ed Services		4,000	4,000	1,208	2,792
General Supplies	20,000	(2,848)	17,152	16,401	751
<b>Total Multiple Disabilities</b>	<b>279,338</b>	<b>53,502</b>	<b>332,840</b>	<b>320,435</b>	<b>12,405</b>
Resource Room:					
Salaries of Teachers	675,278	64,593	739,871	724,924	14,947
Other Salaries for Instruction	187,607	(65,598)	122,009	120,124	1,885
General Supplies	7,045		7,045	1,400	5,645
<b>Total Resource Room</b>	<b>869,930</b>	<b>(1,005)</b>	<b>868,925</b>	<b>846,448</b>	<b>22,477</b>
Preschool Disabilities - Part Time:					
Salaries of Teachers	109,937	(65,962)	43,975	42,664	1,311
Other Salaries for Instruction	67,563	(28,810)	38,753	30,658	8,095
Purchased Prof/Ed Services		1,000	1,000	597	403
General Supplies	26,000	(19,612)	6,388	743	5,645
Other Objects	25,000	(14,090)	10,910	10,678	232
<b>Total Preschool Disabilities</b>	<b>228,500</b>	<b>(127,474)</b>	<b>101,026</b>	<b>85,340</b>	<b>15,686</b>
Home Instruction:					
Purch Prof - Ed. Services					
<b>Total Preschool Disabilities</b>					
<b>TOTAL SPECIAL EDUCATION</b>	<b>1,377,768</b>	<b>(74,977)</b>	<b>1,302,791</b>	<b>1,252,223</b>	<b>50,568</b>
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	387,150	(14,000)	373,150	371,113	2,037
General Supplies	1,500	57	1,557	1,145	412
<b>Total Basic Skills/Remedial-Instruction</b>	<b>388,650</b>	<b>(13,943)</b>	<b>374,707</b>	<b>372,258</b>	<b>2,449</b>
Bilingual Education-Instruction					
Salaries of Teachers					
<b>Total Bilingual Education-Instruction</b>					
School Sponsored Co-curricular Activities:					
Salaries	37,100		37,100	36,602	498
Supplies and Materials	7,500		7,500	2,769	4,731
Other Objects	5,000		5,000	1,431	3,569
<b>Total School Sponsored Co-curricular Activities</b>	<b>49,600</b>		<b>49,600</b>	<b>40,802</b>	<b>8,798</b>
School Sponsored Athletics:					
Salaries	51,100		51,100	43,400	7,700
Supplies and Materials	15,000		15,000	13,338	1,662
Other Objects	8,500		8,500	6,713	1,787
<b>Total School Sponsored Athletics</b>	<b>74,600</b>		<b>74,600</b>	<b>63,451</b>	<b>11,149</b>
<b>Total Instruction</b>	<b>5,617,071</b>	<b>(183,250)</b>	<b>5,433,821</b>	<b>5,074,184</b>	<b>359,637</b>
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	39,000		39,000		39,000
Tuition - Other LEAs Within the State - Special	15,000	44,887	59,887	23,731	36,156
Tuition - Co Spec Serv and Regional Day Schools	282,709	(178,777)	103,932	13,669	90,263
Tuition to Private Schools for the Disabled Within State	239,964	33,890	273,854	273,057	797
<b>Total Undistributed Expenditures - Instruction</b>	<b>576,673</b>		<b>476,673</b>	<b>310,457</b>	<b>166,216</b>

**RUNNEMEDE BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENDITURES: (Continued)</b>					
Health Services:					
Salaries	\$ 195,833	\$ (4,914)	\$ 190,919	\$ 184,784	\$ 6,135
Purch Prof/ Tech Services	13,500	15,264	28,764	28,752	12
Other Purchased Services	1,000		1,000	534	466
Supplies and Materials	10,000	(4,000)	6,000	3,787	2,213
<b>Total Health Services</b>	<b>220,333</b>	<b>6,350</b>	<b>226,683</b>	<b>217,857</b>	<b>8,826</b>
Speech, OT, PT & Related Services					
Salaries	111,738	(4,349)	107,389	107,341	48
Purchased Professional - Educational Services	45,700	7,610	53,310	52,706	604
Supplies and Materials	2,000	(611)	1,389	1,389	
<b>Total Related Services</b>	<b>159,438</b>	<b>2,650</b>	<b>162,088</b>	<b>161,436</b>	<b>652</b>
Other Support Services - Students - Extra Services:					
Salaries	344,317	(9,335)	334,982	334,981	1
Purchased Prof Ed Services	165,000	187,290	352,290	337,085	15,205
<b>Total Extra Services</b>	<b>509,317</b>	<b>177,955</b>	<b>687,272</b>	<b>672,066</b>	<b>15,206</b>
Guidance:					
Salaries Other Professionals	130,300	(3,277)	127,023	127,023	
Other Purchased Professional/Technical services	25		25	20	5
Other Purchased services	100		100	16	84
Supplies and Materials	900	(115)	785	668	117
<b>Total Guidance</b>	<b>131,325</b>	<b>(3,392)</b>	<b>127,933</b>	<b>127,727</b>	<b>206</b>
Child Study Team					
Salaries of Other Professional Staff	322,965	15,730	338,695	307,271	31,424
Salaries Secr. & Clerical Asst.	37,027		37,027	37,027	
Purchased Professional - Educational Services	57,500	15,173	72,673	65,847	6,826
Supplies and Materials	6,000	(1,825)	4,175	4,168	7
Other Objects	932	(110)	822	820	2
<b>Total Child Study Teams</b>	<b>424,424</b>	<b>28,968</b>	<b>453,392</b>	<b>415,133</b>	<b>38,259</b>
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	167,552		167,552	167,552	
Salaries Secr. & Clerical Asst.	12,444		12,444	12,444	
Purchased Professional and Educational Services	6,620	(6,100)	520		520
Supplies and Materials		100	100	79	21
Other Objects	1,300		1,300	1,239	61
<b>Total Improvement of Instruction Services/Other Support</b>	<b>187,916</b>	<b>(6,000)</b>	<b>181,916</b>	<b>181,314</b>	<b>602</b>
Educational Media Services/School Library:					
Salaries	106,642	(27,094)	79,548	79,260	288
Salaries of Technology Coordinators	86,575		86,575	86,575	
Purchased Professional and Technical Services	8,800		8,800	8,760	40
Supplies and Materials	27,975	3,100	31,075	28,701	2,374
<b>Total Educational Media Services/School Library</b>	<b>229,992</b>	<b>(23,994)</b>	<b>205,998</b>	<b>203,296</b>	<b>2,702</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENSES: (Continued)</b>					
Undistributed Expenditures:					
Instructional Staff Training Services					
Purchased Professional and Educational Services	\$ 8,050	\$ 1,000	\$ 9,050	\$ 4,769	\$ 4,281
Supplies and Materials	5,000	(1,000)	4,000	68	3,932
<b>Total Inst. Staff Training Services</b>	<b>13,050</b>		<b>13,050</b>	<b>4,837</b>	<b>8,213</b>
Support Services General Administration:					
Salaries	209,776	2,967	212,743	212,743	
Legal Services	21,500	5,000	26,500	5,797	20,703
Audit Fees	18,000		18,000	17,282	718
Architectural/Engineering Services	2,500		2,500		2,500
Other Purchased Professional Services	3,500		3,500	800	2,700
Communication/Telephone	100,000	10,000	110,000	44,697	65,303
BOE Other Purchased Prof. Services	4,500	3,450	7,950	5,271	2,679
Other Purchased Services	105,000	9,033	114,033	92,900	21,133
General Supplies	7,000	8,000	15,000	7,200	7,800
Miscellaneous Expenditures	2,275	175	2,450	411	2,039
BOE Membership Dues and Fees	7,600	1,400	9,000	8,615	385
<b>Total Support Services General Administration</b>	<b>481,651</b>	<b>40,025</b>	<b>521,676</b>	<b>395,716</b>	<b>125,960</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	235,733	1	235,734	235,734	
Salaries of Secretarial and Clerical Assistants	150,602	4,999	155,601	143,500	12,101
Other Purchased Services	12,000	3,389	15,389	12,627	2,762
Supplies and Materials	6,565	23,111	29,676	7,144	22,532
Other Objects	3,200	3,475	6,675	2,797	3,878
<b>Total Support Services School Administration</b>	<b>408,100</b>	<b>34,975</b>	<b>443,075</b>	<b>401,802</b>	<b>41,273</b>
Central Services:					
Salaries	197,386		197,386	197,386	
Purchased Professional Services	4,059	1,000	5,059	2,450	2,609
Purchased Technical Services	9,195	1,000	10,195	9,866	329
Miscellaneous Purchased Services		1,000	1,000	434	566
Supplies and Materials	4,500	7,500	12,000	4,570	7,430
Interest on Bond Anticipation Notes (BANs)	5,000		5,000		5,000
Other Objects	2,000	500	2,500	2,253	247
<b>Total Central Services</b>	<b>222,140</b>	<b>11,000</b>	<b>233,140</b>	<b>216,959</b>	<b>16,181</b>
Admin. Info. Technology:					
Salaries	7,500		7,500		7,500
Purchased Technical Services	10,473	5,000	15,473	7,043	8,430
Other Purchased Services	1,300		1,300	730	570
Supplies and Materials	1,500	4,000	5,500	2,679	2,821
Other Objects	12,000	9,970	21,970	9,970	12,000
<b>Total Admin. Info. Technology</b>	<b>32,773</b>	<b>18,970</b>	<b>51,743</b>	<b>20,422</b>	<b>31,321</b>
Required Maintenance for School Facilities:					
Salaries	53,660	6,340	60,000	60,000	
Cleaning, Repair and Maintenance Services	82,500	(5,425)	77,075	77,049	26
Lead Testing of Drinking Water	5,000	(5,000)			
General Supplies	57,650	(3,034)	54,616	53,891	725
Other Objects	500	(450)	50		50
<b>Total Required Maintenance for School Facilities</b>	<b>199,310</b>	<b>(7,569)</b>	<b>191,741</b>	<b>190,940</b>	<b>801</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Other Operation and Maintenance of Plant-Custodial Services:					
Salaries	\$ 382,855	\$ 27,475	\$ 410,330	\$ 410,329	\$ 1
Salaries of Non-Instructional Aides	64,728	(5,554)	59,174	59,169	5
Purchased Prof & Tech Services	4,390	50	4,440	4,403	37
Cleaning, Repair and Maintenance Services	10,970	(7,461)	3,509	2,064	1,445
Other Purchased Property Services	46,575	(3,425)	43,150	41,244	1,906
Insurance	9,750	(750)	9,000	8,791	209
Miscellaneous Purchased Services	2,000	(1,025)	975	875	100
General Supplies	66,169	23,085	89,254	88,074	1,180
Energy (Natural Gas)	80,000	(16,000)	64,000	50,331	13,669
Energy (Electricity)	189,699	(1,531)	188,168	148,945	39,223
Other Objects	200		200	184	16
<b>Total Other Operation and Maintenance of Plant - Custodial</b>	<b>857,336</b>	<b>14,864</b>	<b>872,200</b>	<b>814,409</b>	<b>57,791</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>1,056,646</b>	<b>7,295</b>	<b>1,063,941</b>	<b>1,005,349</b>	<b>58,592</b>
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	17,550	(17,380)	170		170
General Supplies	8,662	15,230	23,892	23,620	272
<b>Total Care &amp; Upkeep of Grounds</b>	<b>26,212</b>	<b>(2,150)</b>	<b>24,062</b>	<b>23,620</b>	<b>442</b>
Undistributed Expenditures - Security:					
Purchased Professional & Technical Services	80,851	(44,500)	36,351	34,200	2,151
Cleaning, Repair and Maintenance Services	10,050	37,721	47,771	24,326	23,445
General Supplies	85,000	5,541	90,541	59,565	30,976
<b>Total Security</b>	<b>175,901</b>	<b>(1,238)</b>	<b>174,663</b>	<b>118,091</b>	<b>56,572</b>
Undistributed Expenditures - Student Transportation Services:					
Salaries Pupil Trans (Bet Home/School) - Regular	82,735	950	83,685	83,681	4
Management Fee - ESC & CTSA Trans. Program	7,900		7,900	6,985	915
Other Purch. Prof. & Tech Serv.	2,500	3,900	6,400	5,944	456
Contracted Services (Bet Home/School) - Vendor	3,500	(500)	3,000		3,000
Contracted Services (Not Bet Home/School) - Vendors	17,525	(4,550)	12,975	7,180	5,795
Contracted Services (Sp. Ed. Stds.) - Vendors	70,000	(22,000)	48,000		48,000
Contracted Services (Reg Students) - ESCs & CTSA	300		300		300
Contracted Services (Special Ed. Students) - ESCs & CTSA	135,500		135,500	108,856	26,644
Contracted Services - Aid in Lieu of Payments - Nonpublic	21,000	2,000	23,000	23,000	
Transportation Supplies	8,500	200	8,700	8,518	182
<b>Total Student Transportation Services</b>	<b>349,460</b>	<b>(20,000)</b>	<b>329,460</b>	<b>244,164</b>	<b>85,296</b>
Unallocated Employee Benefits:					
Social Security Contributions	109,000	63,755	172,755	172,755	
Other Retirement Contributions - PERS	207,865	56,070	263,935	263,934	1
Unemployment Compensation	21,424	(21,240)	184		184
Workers Compensation	148,500	(43,364)	105,136	105,136	
Health Benefits	2,319,794	23,692	2,343,486	2,226,817	116,669
Tuition Reimbursement	20,000	(11,413)	8,587	8,587	
Other Employee Benefits	48,460	(25,485)	22,975	13,278	9,697
<b>Total Unallocated Employee Benefits</b>	<b>2,875,043</b>	<b>42,015</b>	<b>2,917,058</b>	<b>2,790,507</b>	<b>126,551</b>
On-behalf TPAF Pension Contribution				1,031,576	(1,031,576)
On-behalf TPAF Post Retirement Medical Contribution				467,921	(467,921)
On-behalf TPAF Long-Term Disability Contribution				1,370	(1,370)
Reimbursement TPAF Social Security				414,430	(414,430)
<b>Total Personal Services - Employee Benefits</b>	<b>2,875,043</b>	<b>42,015</b>	<b>2,917,058</b>	<b>4,705,804</b>	<b>(1,788,746)</b>
<b>Total Undistributed Expenditures</b>	<b>8,080,394</b>	<b>213,429</b>	<b>8,293,823</b>	<b>9,426,050</b>	<b>(1,132,227)</b>
Interest Earned on Maintenance Reserve	279		279		279
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>13,697,744</b>	<b>30,179</b>	<b>13,727,923</b>	<b>14,500,234</b>	<b>(772,311)</b>

**RUNNEMEDE BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CAPITAL OUTLAY:</b>					
Increase in Capital Reserve	\$	\$	\$	\$	\$
Regular Programs - Instruction:					
Preschool		1,900	1,900	1,900	
Grades 1-5		3,800	3,800	3,800	
Grades 6-8		2,118	2,118	1,900	218
Undistributed Expenditures:					
Administrative Info. Technology		12,730	12,730	12,730	
Required Maint for School Fac		33,955	33,955	33,954	1
Operation and Maintenance Services		47,500	47,500	47,343	157
Care and Upkeep of Grounds		16,575	16,575	16,575	
<b>Total Equipment</b>		<b>118,578</b>	<b>118,578</b>	<b>118,202</b>	<b>376</b>
Facilities Acquisition - Construction Services:					
Architectural/Engineering Services		45,000	45,000	38,351	6,649
Construction Services	1,230,000	(279,723)	950,277	721,275	229,002
Supplies and Materials		110,250	110,250	62,857	47,393
Land and Improvements		35,200	35,200	35,100	100
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,230,000</b>	<b>(89,273)</b>	<b>1,140,727</b>	<b>857,583</b>	<b>283,144</b>
Capital Outlay:					
Interest Deposit in Capital Reserve		262	262		262
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,230,262</b>	<b>29,305</b>	<b>1,259,567</b>	<b>975,785</b>	<b>283,782</b>
<b>TOTAL EXPENDITURES</b>	<b>14,928,006</b>	<b>59,484</b>	<b>14,987,490</b>	<b>15,476,019</b>	<b>(488,529)</b>
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(2,205,600)	(59,484)	(2,265,084)	(470,815)	1,794,269
Other Financing Sources (Uses):					
Transfer from Other Funds	23,000		23,000		(23,000)
Transfer to Charter School	(70,483)		(70,483)	(42,518)	27,965
<b>Total Other Financing Sources</b>	<b>(47,483)</b>		<b>(47,483)</b>	<b>(42,518)</b>	<b>4,965</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,253,083)	(59,484)	(2,312,567)	(513,333)	1,799,234
Fund Balances, July 1	3,687,865		3,687,865	3,687,865	
Fund Balances, June 30	\$ 1,434,782	\$ (59,484)	\$ 1,375,298	\$ 3,174,532	\$ 1,799,234
<b>RECAPITULATION:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus				\$ 145,306	
Excess Surplus - Designated for Subsequent Year's Expenditures				155,584	
Maintenance Reserve				493,118	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				199,310	
Capital Reserve				413,696	
Capital Reserve - Designated for Subsequent Year's Expenditures				800,000	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				72,945	
Designated for Subsequent Year's Expenditures				452,759	
<b>Unassigned Fund Balance</b>					
				441,814	
				<u>3,174,532</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis					(534,000)
Fund Balance per Governmental Funds (GAAP)					<u>\$ 2,640,532</u>

**RUNNEMEDE BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$	\$	\$	\$	\$
Federal Sources	384,473	92,821	477,294	475,925	1,369
State Sources	746,031	75,481	821,512	778,444	43,068
<b>Total Revenues</b>	<b>1,130,504</b>	<b>168,302</b>	<b>1,298,806</b>	<b>1,254,369</b>	<b>44,437</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	237,958	8,730	246,688	246,688	
Other Salaries for Instruction	63,135		63,135	63,135	
Purchased Prof/Tech Services	73,092	(37,190)	35,902	35,902	
Other Purchased Services	177,000	44,581	221,581	221,581	
General Supplies	52,840	11,590	64,430	64,420	10
Textbooks	8,217	(474)	7,743	7,743	
<b>Total Instruction</b>	<b>612,242</b>	<b>27,237</b>	<b>639,479</b>	<b>639,469</b>	<b>10</b>
<b>Support Services</b>					
Salaries	27,943	26,300	54,243	54,243	
Employee Benefits	88,980		88,980	88,980	
Purchased Professional & Technical Services - Other	68,680	21,111	89,791	73,431	16,360
Other Purchased Services	156,409	55,389	211,798	183,731	28,067
Miscellaneous Purchased Services	5,000	(2,900)	2,100	2,100	
General Supplies	30,000	2,247	32,247	32,247	
Other Objects	11,250	10,500	21,750	21,750	
<b>Total Support Services</b>	<b>388,262</b>	<b>112,647</b>	<b>500,909</b>	<b>456,482</b>	<b>44,427</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment	80,000	35,211	115,211	115,211	
Non-Instructional Equipment	50,000	(6,793)	43,207	43,207	
<b>Total Facilities Acquisition and Construction Services</b>	<b>130,000</b>	<b>28,418</b>	<b>158,418</b>	<b>158,418</b>	
<b>Total Expenditures</b>	<b>1,130,504</b>	<b>168,302</b>	<b>1,298,806</b>	<b>1,254,369</b>	<b>44,437</b>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<b>1,130,504</b>	<b>168,302</b>	<b>1,298,806</b>	<b>1,254,369</b>	<b>44,437</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**RUNNEMEDE BOARD OF EDUCATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET-TO-GAAP RECONCILIATION**  
**NOTE TO RSI**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

	General Fund	Special Revenue Fund				
<b>Sources/inflows of resources</b>						
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 15,005,204	[C-2] \$ 1,254,369				
Difference - budget to GAAP:						
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 10px;">Prior Year</td> <td></td> </tr> <tr> <td>Current Year</td> <td style="text-align: right;">(25,561)</td> </tr> </table>	Prior Year		Current Year	(25,561)	
Prior Year						
Current Year	(25,561)					
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	482,282					
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(534,000)	(57,055)				
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 14,953,486	[B-2] \$ 1,171,753				
<b>Uses/outflows of resources</b>						
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 15,476,019	[C-2] \$ 1,254,369				
Differences - budget to GAAP						
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		(25,561)				
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.						
Net transfers (outflows) to general fund						
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 15,476,019	[B-2] \$ 1,228,808				

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART III**

**RUNNEMEDE BOARD OF EDUCATION**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>
District's Proportion of the Net Pension Liability	0.021307%		0.021515%		0.016866%		0.017643%		0.016190%		0.015659%
District's Proportionate Share of the Net Pension Liability	\$ 4,195,246	\$	5,008,361	\$	4,721,248	\$	3,960,435	\$	3,031,301	\$	2,992,838
District's Covered-Employee Payroll	\$ 1,486,705	\$	1,401,904	\$	1,504,964	\$	1,381,733	\$	1,233,319	\$	1,119,014
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	282.18%		357.25%		313.71%		286.63%		245.78%		267.45%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	53.60%		48.10%		40.14%		47.93%		52.08%		48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**RUNNEMEDE BOARD OF EDUCATION**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 213,641	\$ 204,668	151,359	\$ 151,680	\$ 133,472	\$ 117,991
Contributions in relation to the Contractually Required Contribution	(213,641)	(204,668)	(151,359)	(151,680)	(133,472)	(117,991)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 1,486,705	\$ 1,401,904	\$ 1,504,964	\$ 1,381,733	\$ 1,233,319	\$ 1,119,014
Contributions as a Percentage of Covered-Employee Payroll	14.37%	14.60%	10.06%	10.98%	10.82%	10.54%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**RUNNEMEDE BOARD OF EDUCATION**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund (TPAF)**  
**Last Ten Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.048774%	0.051368%	0.049291%	0.053573%	0.053724%	0.051149%
District's Proportionate Share of the Net Pension Liability	\$ 31,029,190	\$ 34,634,062	\$ 38,775,664	\$ 33,860,278	\$ 28,713,546	\$ 25,850,462
District's Covered-Employee Payroll	\$ 5,754,483	\$ 5,639,158	\$ 5,397,870	\$ 5,029,343	\$ 5,183,302	\$ 4,715,910
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	539.22%	614.17%	718.35%	673.25%	553.96%	548.15%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**RUNNEMEDE BOARD OF EDUCATION**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years**

	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>		
Service Cost	\$ 1,295,650	\$ 1,569,309
Interest Cost	1,448,976	1,256,855
Changes of Benefit Terms		
Differences Between Expected and Actual Experiences	(5,248,510)	
Changes of Assumptions	(3,731,768)	(5,317,681)
Member Contributions	30,053	33,770
Gross Benefit Payments	(869,558)	(917,095)
<b>Net Change in Total OPEB Liability</b>	<b>(7,075,157)</b>	<b>(3,374,842)</b>
<b>Total OPEB Liability - Beginning</b>	<b>39,594,591</b>	<b>42,969,433</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 32,519,434</b>	<b>\$ 39,594,591</b>
<b>Covered-Employee Payroll</b>	<b>\$ 7,241,188</b>	<b>\$ 7,041,062</b>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	<b>449.09%</b>	<b>562.34%</b>

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: There is no change in the Total OPEB Liability from June 30, 2016 to June 30, 2017 due to differences in expected and actual experiences. The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**RUNNEMEDE BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

	NCLB			I.D.E.A. - Part B			Sub-Total Per E-1 (2)	Totals	
	Title I Part A	Title II Part A	Title IV Part A	Basic	Preschool	Preschool		2019	2018
	2017-18	2017-18	2017-18	2017-18	2017-18				
<b>REVENUES:</b>									
Federal Sources	\$ 172,467	\$ 23,009	\$ 10,325	\$ 256,266	\$ 13,858			\$ 475,925	\$ 479,265
State Sources						\$ 570,555	\$ 207,889	778,444	138,033
Total Revenues	172,467	23,009	10,325	256,266	13,858	570,555	207,889	1,254,369	617,298
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers	115,955					130,733		246,688	121,347
Other Salaries for Instruction						63,135		63,135	
Purchased Prof/Tech Services	8,434		1,576	25,892			14,000	35,902	40,267
Other Purchased Services				207,581				221,581	217,358
General Supplies	13,078		8,749	1,731		35,578	5,284	64,420	18,815
Textbooks							7,743	7,743	8,217
Total Instruction	137,467		10,325	235,204		229,446	27,027	639,469	406,004
Support Services:									
Salaries						54,243		54,243	1,581
Employee Benefits						88,980		88,980	
Purchased Prof/Tech Services	35,000	3,511		21,062	13,858			73,431	91,577
Other Purchased Services		19,498				5,121	159,112	183,731	98,474
Miscellaneous Purchased Services						2,100		2,100	
General Supplies						32,247		32,247	8,419
Other Objects							21,750	21,750	11,243
Total Support Services	35,000	23,009		21,062	13,858	182,691	180,862	456,482	211,294
Facilities Acquisition/Construction:									
Instructional Equipment						115,211		115,211	
Non-Instructional Equipment						43,207		43,207	
Total Facilities Acquisition/Construction						158,418		158,418	
Total Expenditures	\$ 172,467	\$ 23,009	\$ 10,325	\$ 256,266	\$ 13,858	\$ 570,555	\$ 207,889	\$ 1,254,369	\$ 617,298

**RUNNEMEDE BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

	Non-Public									
	Textbook Aid	Nursing Aid	Technology Aid	Security Aid	Chapter 192		Chapter 193			Totals
					Compensatory Education	Transportation	Corrective Speech	Examination and Classification	Supplemental Instructional Aid	
<b>REVENUES:</b>										
Federal Sources										
State Sources	\$ 7,743	\$ 14,064	\$ 5,220	\$ 21,750	\$ 50,929	\$ 62,276	\$ 12,142	\$ 18,382	\$ 15,383	\$ 207,889
<b>Total Revenues</b>	<b>7,743</b>	<b>14,064</b>	<b>5,220</b>	<b>21,750</b>	<b>50,929</b>	<b>62,276</b>	<b>12,142</b>	<b>18,382</b>	<b>15,383</b>	<b>207,889</b>
<b>EXPENDITURES:</b>										
Instruction:										
Other Purchased Services		14,000								14,000
General Supplies		64	5,220							5,284
Textbooks	7,743									7,743
<b>Total Instruction</b>	<b>7,743</b>	<b>14,064</b>	<b>5,220</b>							<b>27,027</b>
Support Services:										
Other Purchased Services					50,929	62,276	12,142	18,382	15,383	159,112
Other Objects				21,750						21,750
<b>Total Support Services</b>				<b>21,750</b>	<b>50,929</b>	<b>62,276</b>	<b>12,142</b>	<b>18,382</b>	<b>15,383</b>	<b>180,862</b>
Facilities Acquisition/Construction:										
Instructional Equipment										
<b>Total Facilities Acquisition/Construction</b>										
<b>Total Expenditures</b>	<b>\$ 7,743</b>	<b>\$ 14,064</b>	<b>\$ 5,220</b>	<b>\$ 21,750</b>	<b>\$ 50,929</b>	<b>\$ 62,276</b>	<b>\$ 12,142</b>	<b>\$ 18,382</b>	<b>\$ 15,383</b>	<b>\$ 207,889</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF PRESCHOOL EDUCATION AID**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget	Actual	Variance
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 130,733	\$ 130,733	\$
Other Salaries for Instruction	63,135	63,135	
General Supplies	35,578	35,578	
<b>Total Instruction</b>	229,446	229,446	
<b>Support:</b>			
Salaries	54,243	54,243	
Personal Services - Employee Benefits	88,980	88,980	
Other Purchased Services	5,121	5,121	
Miscellaneous Purchased Services	2,100	2,100	
Supplies and Materials	32,247	32,247	
<b>Total Support Services</b>	182,691	182,691	
<b>Facilities Acquisition and Const. Services:</b>			
Instructional Equipment	115,211	115,211	
Non-instructional Equipment	43,207	43,207	
<b>Total Facilities Acquisition and Const. Services:</b>	158,418	158,418	
<b>Total Expenditures</b>	\$ 570,555	\$ 570,555	\$

**CALCULATION OF BUDGET & CARRYOVER**

Total revised 2018-19 Preschool Education Aid Allocation	\$ 570,555	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2018)		(2)
Add: Budgeted Transfer from the General Fund 2018-19		(3)
Total Preschool Education Aid Funds Available for 2018-19 Budget	570,555	(4)
Less: 2018-19 Budgeted Preschool Education Aid (including prior year budget carryover)	(570,555)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2019		(6)
Add: June 30, 2019 Unexpended Preschool Education Aid		(7)
Less: 2018-19 Commissioner-approved Transfer to the General Fund		(8)
2018-19 Carryover - Preschool Education Aid/Preschool Programs	\$	(9)
2018-19 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2019-20	\$	(10)

## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**EXHIBIT F-1**

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b><u>Project Title/Issue</u></b>	<b><u>Original Date</u></b>	<b><u>Appropriations</u></b>	<b><u>Expenditures to Date</u></b>		<b><u>Unexpended Balance June 30, 2019</u></b>
			<b><u>Prior Years</u></b>	<b><u>Current Year</u></b>	
School Windows, Roof and Other Exterior Replacement:					
Bingham School	1/6/14	\$ 738,750	\$ 654,124	\$	\$ 84,626
Downing School	2/24/14	360,000	360,000		
Mary E. Volz School	2/24/14	2,105,522	1,920,591		184,931
		<u>\$ 3,204,272</u>	<u>\$ 2,934,715</u>	<u>\$</u>	<u>\$ 269,557</u>
Designated Fund Balance		\$	\$	\$	\$ 118,904
Unearned State Aid					150,653
Expended			2,934,715		
State Share		1,710,863			
Local Share		1,493,409			
		<u>\$ 3,204,272</u>	<u>\$ 2,934,715</u>	<u>\$</u>	<u>\$ 269,557</u>

**EXHIBIT F-2**

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Revenues and Other Financing**

**Sources**

State Sources - SDA Grant	\$	
Transfer from Capital Reserve Funds		
Interest		
		<hr/>
Total Revenues		<hr/>

**Expenditures and Other Financing Uses**

Architectural Costs		
Construction Services		
		<hr/>
Total Expenditures		<hr/>

Excess (Deficiency) of Revenues Over (Under) Expenditures

Fund Balance - Beginning 118,904

Fund Balance - Ending \$ 118,904

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**BINGHAM SCHOOL MASONRY RESTORATION, EXTERIOR DOOR AND WINDOW REPLACEMENT**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 412,879	\$	\$ 412,879	\$ 412,879
Transfer from Capital Reserve Funds	325,871		325,871	325,871
Total Revenues	738,750		738,750	738,750
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs	49,160		49,160	51,713
Construction Services	604,964		604,964	687,038
Total Expenditures	654,124		654,124	738,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 84,626	\$	\$ 84,626	\$

**Additional Project Information:**

Project Number - DOE	4590-020-14-1001
Project Number - SDA	4590-020-14-GINF
Grant Date/Letter of Notification	1/6/2014
Grant Number	G5-5089
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$738,750
Additional Authorized Cost	N/A
Revised Authorized Cost	\$738,750
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	12/31/2015
Revised Target Completion Date	3/29/2016

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**DOWNING SCHOOL WINDOWS AND OTHER EXTERIOR REPLACEMENT**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 201,200	\$	\$ 201,200	\$ 201,200
Transfer from Capital Reserve Funds	158,800		158,800	158,800
<b>Total Revenues</b>	<b>360,000</b>		<b>360,000</b>	<b>360,000</b>
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs	26,667		26,667	26,667
Construction Services	333,333		333,333	333,333
<b>Total Expenditures</b>	<b>360,000</b>		<b>360,000</b>	<b>360,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

**Additional Project Information:**

DOE Project Number	4590-030-14-1002
SDA Project Number	4590-030-14-G3EX
Grant Number	G5-6225
Grant Date/Letter of Notification	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$360,000
Additional Authorized Cost	N/A
Revised Authorized Cost	\$360,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	12/31/2015
Revised Target Completion Date	3/29/2016

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUE, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**MARY E. VOLZ SCHOOL WINDOWS AND OTHER EXTERIOR REPLACEMENT**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,176,753	\$	\$ 1,176,753	\$ 1,278,074
Transfer from Capital Reserve Funds	928,769		928,769	1,008,738
<b>Total Revenues</b>	<b>2,105,522</b>		<b>2,105,522</b>	<b>2,286,812</b>
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs	155,965		155,965	169,394
Construction Services	1,764,626		1,764,626	2,117,418
<b>Total Expenditures</b>	<b>1,920,591</b>		<b>1,920,591</b>	<b>2,286,812</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 184,931	\$	\$ 184,931	\$

**Additional project information:**

DOE Project Number	4590-040-14-1003
SDA Project Number	4590-040-14-G3EY
Grant Number	G5-6226
Grant Date/Letter of Notification	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$2,286,812
Additional Authorized Cost	N/A
Revised Authorized Cost	\$2,286,812
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	12/31/2015
Revised Target Completion Date	3/29/2016

## PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all schools within the school district.

**RUNNEMEDE BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2019 AND 2018**

	<u>Food Service Enterprise Fund</u>	<u>Before and After Care Fund</u>	<u>Totals</u>	
			<u>2019</u>	<u>2018</u>
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 25,770	\$ 75,010	\$ 100,780	\$ 101,065
Accounts Receivable:				
State	141		141	156
Federal	8,089		8,089	9,325
Other	1,743	3,438	5,181	4,300
Inventory	2,081		2,081	1,244
Total Current Assets	<u>37,824</u>	<u>78,448</u>	<u>116,272</u>	<u>116,090</u>
Fixed Assets:				
Equipment	22,679		22,679	16,250
Accumulated Depreciation	(3,856)		(3,856)	(2,612)
Total Fixed Assets	<u>18,823</u>		<u>18,823</u>	<u>13,638</u>
Total Assets	<u>56,647</u>	<u>78,448</u>	<u>135,095</u>	<u>129,728</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Interfund Payable	6,429	2,000	8,429	2,000
Unearned Revenue	4,472	1,604	6,076	3,591
Total Current Liabilities	<u>10,901</u>	<u>3,604</u>	<u>14,505</u>	<u>5,591</u>
Non-Current Liabilities:				
Compensated Absences	20,561		20,561	
Total Liabilities	<u>31,462</u>	<u>3,604</u>	<u>35,066</u>	
<b>NET POSITION:</b>				
Invested in Capital Assets Net of Related Debt	18,823		18,823	13,638
Unrestricted	6,362	74,844	81,206	110,499
Total Net Position	<u>\$ 25,185</u>	<u>\$ 74,844</u>	<u>\$ 100,029</u>	<u>\$ 124,137</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**AS OF JUNE 30, 2019 AND 2018**

	Food Service Enterprise Fund	Before and After Care Fund	Totals	
			2019	2018
<b>OPERATING REVENUES:</b>				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$ 52,617	\$	\$ 52,617	\$ 47,060
School Breakfast Program	481		481	2,857
Total Daily Sales - Reimbursable Programs	53,098		53,098	49,917
Daily Sales Non-Reimbursable Programs	47,006		47,006	46,597
Program Fees		274,540	274,540	207,729
Total Operating Revenue	100,104	274,540	374,644	304,243
<b>OPERATING EXPENSES:</b>				
Salaries	106,328	174,158	280,486	196,911
Employee Benefits	13,524		13,524	11,843
Supplies and Materials	29,735	29,974	59,709	35,779
Building Usage		70,500	70,500	10,100
Cost of Sales - Reimbursable Programs	107,744		107,744	144,553
Cost of Sales - Non Reimbursable Programs	23,946		23,946	24,155
Depreciation	1,244		1,244	2,021
Management Fee				5,500
Total Operating Expenses	282,521	274,632	557,153	430,862
Operating Income (Loss)	(182,417)	(92)	(182,509)	(126,619)
Non-Operating Revenues:				
State Sources:				
State School Lunch Program	2,617		2,617	2,611
Federal Sources:				
School Breakfast Program	31,572		31,572	34,675
National School Lunch Program	113,430		113,430	113,765
Food Distribution Program	10,619		10,619	12,694
Interest	163		163	6
Total Non-Operating Revenues	158,401		158,401	163,751
Net Income before Operating Transfers	(24,016)	(92)	(24,108)	37,132
Transfer to General Fund for Fixed Asset Purchase				(150,000)
Net Income	(24,016)	(92)	(24,108)	(112,868)
Net Position - July 1	49,201	74,936	124,137	237,005
Net Position - June 30	\$ 25,185	\$ 74,844	\$ 100,029	\$ 124,137

**RUNNEMEDE BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2019 AND 2018**

	Food Service Enterprise Fund	Before and After Care Fund	Totals	
			2019	2018
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 100,104	\$ 274,540	\$ 374,644	\$ 304,243
Payments to Employees	(106,328)	(174,158)	(280,486)	(196,911)
Payments for Employee Benefits	(13,524)		(13,524)	(11,843)
Payments to Suppliers	(122,887)	(99,385)	(222,272)	(204,248)
Net Cash Provided by (Used for) Operating Activities	(142,635)	997	(141,638)	(108,759)
Cash Flows from Non-Capital Financing Activities				
State Sources	2,617		2,617	2,611
Federal Sources	145,002		145,002	148,440
Net Cash Provided by (Used for) Operating Activities	147,619		147,619	151,051
Cash Flows from Capital and Related Financing Activities				
Purchases of Capital Assets	(6,429)		(6,429)	(7,884)
Transfer to General Fund for Purchase of Fixed Asset				(150,000)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(6,429)		(6,429)	(157,884)
Cash Flows from Investing Activities				
Interest and Dividends	163		163	6
Net Cash Provided by (Used for) Investing Activities	163		163	6
Net Increase (Decrease) in Cash and Cash Equivalents	(1,282)	997	(285)	(115,586)
Balances - Beginning of Year	27,052	74,013	101,065	216,651
Balances - End of Year	\$ 25,770	\$ 75,010	\$ 100,780	\$ 101,065
Operating Income (Loss)	\$ (182,417)	\$ (92)	\$ (182,509)	\$ (126,619)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	1,244		1,244	2,021
Food Distribution Program	10,619		10,619	12,694
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	359	11	370	1,277
(Increase)/Decrease in Interfund Receivable				18,100
(Increase)/Decrease in Inventory	(837)		(837)	(272)
Increase/(Decrease) in Interfund Payable	6,429		6,429	(16,100)
Increase/(Decrease) in Unearned Revenue	1,407	1,078	2,485	140
Increase/(Decrease) in Compensated Absences	20,561		20,561	
Total Adjustments	39,782	1,089	40,871	17,860
Net Cash Used by Operating Activities	\$ (142,635)	\$ 997	\$ (141,638)	\$ (108,759)

## FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments an/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the schools.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the School District.

**RUNNEMEDE BOARD OF EDUCATION**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

	<u>Expendable</u>		<u>Agency</u>		<u>Total</u>	
	<u>Trust</u>		<u>Student</u>		<u>2019</u>	<u>2018</u>
	<u>Unemployment</u>		<u>Activity</u>	<u>Payroll</u>		
	<u>Compensation</u>				<u>2019</u>	<u>2018</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 105,976	\$ 11,821	\$ 82,119	\$ 199,916	\$ 129,659	
Cash with Fiscal Agent			13,352	13,352	11,250	
Due from Payroll Agency Account	7,275			7,275	7,074	
Total Assets	<u>\$ 113,251</u>	<u>\$ 11,821</u>	<u>\$ 95,471</u>	<u>\$ 220,543</u>	<u>\$ 147,983</u>	
<b>LIABILITIES AND NET POSITION:</b>						
Liabilities:						
Payroll Deductions and Withholdin	\$	\$	\$ 74,844	\$ 74,844	\$ 13,005	
Due to Unemployment Account			7,275	7,275	7,074	
Due to General Fund					146	
Flexible Spending Reserve			13,352	13,352	11,250	
Due to Student Groups		11,821		11,821	13,057	
Total Liabilities		<u>11,821</u>	<u>95,471</u>	<u>107,292</u>	<u>44,532</u>	
Net Position:						
Held in Trust for Unemployment Claims and Other Purposes	113,251			113,251	103,451	
	<u>113,251</u>			<u>113,251</u>	<u>103,451</u>	
Total Liabilities and Net Position	<u>\$ 113,251</u>	<u>\$ 11,821</u>	<u>\$ 95,471</u>	<u>\$ 220,543</u>	<u>\$ 147,983</u>	

**RUNNEMEDE BOARD OF EDUCATION**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

	<u>Expendable Trust</u>		
	<u>Unemployment</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>2019</u>	<u>2018</u>
<b>ADDITIONS:</b>			
Employee Deductions	\$ 20,227	\$ 20,227	\$ 19,463
Interest on Investments	751	751	157
Total Additions	<u>20,978</u>	<u>20,978</u>	<u>19,620</u>
<b>DEDUCTIONS:</b>			
Unemployment Compensation Claims	<u>11,178</u>	<u>11,178</u>	<u>5,947</u>
Total Deductions	<u>11,178</u>	<u>11,178</u>	<u>5,947</u>
Change in Net Position	9,800	9,800	13,673
Net Position - Beginning of the Year	<u>103,451</u>	<u>103,451</u>	<u>89,778</u>
Net Position - End of the Year	<u>\$ 113,251</u>	<u>\$ 113,251</u>	<u>\$ 103,451</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance</u> <u>July 1,</u> <u>2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>6/30/19</u>	<u>Balance</u> <u>June 30,</u> <u>2019</u>
<b>ELEMENTARY SCHOOLS</b>					
Bingham School	\$ 2,486	\$ 5,170	\$ 6,425	\$	\$ 1,231
Downing School	5,614	8,977	11,308		3,283
Volz School	4,957	43,896	41,546		7,307
<b>TOTAL ALL SCHOOLS</b>	<u>\$ 13,057</u>	<u>\$ 58,043</u>	<u>\$ 59,279</u>	<u>\$</u>	<u>\$ 11,821</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance</u> <u>7/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/19</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 20,225	\$ 8,671,513	\$ 8,609,619	\$ 82,119
Cash with Fiscal Agent	11,250	13,498	11,396	13,352
Total Assets	<u>\$ 31,475</u>	<u>\$ 8,685,011</u>	<u>\$ 8,621,015</u>	<u>\$ 95,471</u>
<b>LIABILITIES:</b>				
Net Payroll	\$	\$ 5,160,204	\$ 5,160,204	\$
Payroll Deductions & Withholdings	13,005	3,511,254	3,449,415	74,844
Due to Unemployment Trust Account	7,074	201		7,275
Due to General Fund	146		146	
Flexible Spending Reserve	11,250	13,498	11,396	13,352
Total Liabilities	<u>\$ 31,475</u>	<u>\$ 8,685,157</u>	<u>\$ 8,621,161</u>	<u>\$ 95,471</u>

## **STATISTICAL SECTION**

**RUNNEMEDE SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
 (Accrual Basis of Accounting)  
 (UNAUDITED)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 1,843,069	\$ 2,813,156	\$ 3,218,217	\$ 3,226,844	\$ 3,604,197	\$ 3,473,772	\$ 6,191,760	\$ 6,302,315	\$ 6,766,255	\$ 7,584,335
Restricted	1,572,660	831,010	1,630,994	2,424,411	3,154,832	4,005,111	3,553,871	3,619,074	2,702,504	2,325,918
Unrestricted (Deficit)	(1,322,095)	(565,718)	(449,818)	(525,195)	(570,933)	(3,377,588)	(3,605,300)	(4,061,889)	(3,663,750)	(4,090,221)
<b>Total Governmental Activities Net Position</b>	<b>\$ 2,093,634</b>	<b>\$ 3,078,448</b>	<b>\$ 4,399,393</b>	<b>\$ 5,126,060</b>	<b>\$ 6,188,096</b>	<b>\$ 4,101,295</b>	<b>\$ 6,140,331</b>	<b>\$ 5,859,500</b>	<b>\$ 5,805,009</b>	<b>\$ 5,820,032</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 6,686	\$ 5,944	\$ 7,974	\$ 7,001	\$ 6,164	\$ 5,301	\$ 6,675	\$ 7,775	\$ 13,638	\$ 18,823
Restricted										
Unrestricted	5,637	34,843	32,868	41,041	3,410	52,058	122,911	229,230	110,499	81,206
<b>Total Business-Type Activities Net Position</b>	<b>\$ 12,323</b>	<b>\$ 40,787</b>	<b>\$ 40,842</b>	<b>\$ 48,042</b>	<b>\$ 9,574</b>	<b>\$ 57,359</b>	<b>\$ 129,586</b>	<b>\$ 237,005</b>	<b>\$ 124,137</b>	<b>\$ 100,029</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 1,849,755	\$ 2,819,100	\$ 3,226,191	\$ 3,233,845	\$ 3,610,361	\$ 3,479,073	\$ 6,198,435	\$ 6,310,090	\$ 6,779,893	\$ 7,603,158
Restricted	1,572,660	831,010	1,630,994	2,424,411	3,154,832	4,005,111	3,553,871	3,619,074	2,702,504	2,325,918
Unrestricted (Deficit)	(1,316,458)	(530,875)	(416,950)	(484,154)	(567,523)	(3,325,530)	(3,482,389)	(3,832,659)	(3,553,251)	(4,009,015)
<b>Total District-Wide Net Position</b>	<b>\$ 2,105,957</b>	<b>\$ 3,119,235</b>	<b>\$ 4,440,235</b>	<b>\$ 5,174,102</b>	<b>\$ 6,197,670</b>	<b>\$ 4,158,654</b>	<b>\$ 6,269,917</b>	<b>\$ 6,096,505</b>	<b>\$ 5,929,146</b>	<b>\$ 5,920,061</b>

Source: CAFR Schedule A-1

**RUNNEMEDE SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(UNAUDITED)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses:</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 4,104,668	\$ 3,672,898	\$ 3,588,329	\$ 3,770,924	\$ 3,770,924	\$ 3,652,476	\$ 3,723,081	\$ 3,665,945	\$ 3,647,840	\$ 3,988,177
Special Education	885,624	978,108	1,117,505	1,205,619	1,205,619	1,253,654	1,343,669	1,355,424	1,376,517	1,252,223
Other Instruction	420,505	241,756	208,999	215,467	215,467	307,713	247,082	436,257	452,420	476,511
<b>Support Services</b>										
Tuition	778,809	943,713	605,307	569,265	569,265	413,871	587,144	537,393	548,059	310,457
Student and Instruction Related Serv	1,260,296	1,285,066	1,329,739	1,380,450	1,380,450	1,575,472	1,563,987	1,813,863	1,970,776	2,440,148
General and Business Admin. Serv	663,529	659,175	568,737	607,624	607,624	551,467	634,012	628,650	638,583	646,582
School Administrative Services	353,592	327,567	339,475	350,477	350,477	356,589	359,987	371,070	385,651	401,802
Plant Operations and Maintenance	834,331	652,554	708,219	653,349	653,349	878,185	862,926	981,652	901,295	1,167,168
Pupil Transportation	394,595	294,088	226,354	264,384	264,384	311,425	334,143	265,451	284,728	261,415
Unallocated Employee Benefits	3,233,570	2,469,749	3,012,067	3,234,907	3,234,907	4,544,444	5,516,621	6,625,523	7,939,503	7,445,632
Amortization of Debt Issue Costs	2,349	2,349	2,349							
Interest on Long-Term Debt	34,998	22,267	9,303							
Unallocated Depreciation	5,613	5,710	79,622	118,484	118,484	163,077	157,380	157,971	175,059	212,928
<b>Total Governmental Activities Expenses</b>	<b>12,972,479</b>	<b>11,555,000</b>	<b>11,796,005</b>	<b>12,370,950</b>	<b>12,370,950</b>	<b>14,008,373</b>	<b>15,330,032</b>	<b>16,839,199</b>	<b>18,320,431</b>	<b>18,603,043</b>
<b>Business-Type Activities</b>										
<b>Food Service</b>										
Before and After Care	228,624	206,088	245,745	238,344	257,015	220,927	235,577	268,621	271,061	282,521
								118,673	159,801	274,632
<b>Total Business-Type Activities Expense</b>	<b>228,624</b>	<b>206,088</b>	<b>245,745</b>	<b>238,344</b>	<b>257,015</b>	<b>220,927</b>	<b>235,577</b>	<b>387,294</b>	<b>430,862</b>	<b>557,153</b>
<b>Total District Expenses</b>	<b>\$ 13,201,103</b>	<b>\$ 11,761,088</b>	<b>\$ 12,041,750</b>	<b>\$ 12,609,294</b>	<b>\$ 12,627,965</b>	<b>\$ 14,229,300</b>	<b>\$ 15,565,609</b>	<b>\$ 17,226,493</b>	<b>\$ 18,751,293</b>	<b>\$ 19,160,196</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Operating Grants and Contributions	\$ 1,554,471	\$ 1,406,306	\$ 1,480,710	\$ 1,695,295	\$ 1,356,237	\$ 1,482,350	\$ 1,480,781	\$ 1,539,925	\$ 1,500,844	\$ 1,978,302
<b>Total Gov'n't Activities Program Rev.</b>	<b>1,554,471</b>	<b>1,406,306</b>	<b>1,480,710</b>	<b>1,695,295</b>	<b>1,356,237</b>	<b>1,482,350</b>	<b>1,480,781</b>	<b>1,539,925</b>	<b>1,500,844</b>	<b>1,978,302</b>
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Food Service	79,625	76,222	73,929	73,395	73,166	92,106	109,190	112,304	96,514	100,104
Before and After Care								195,681	207,729	274,540
Operating Grants and Contributions	99,527	114,114	124,896	133,795	121,877	151,602	198,606	186,715	163,745	158,238
<b>Total Bus.-Type Activities Prog. Rev.</b>	<b>179,152</b>	<b>190,336</b>	<b>198,825</b>	<b>207,190</b>	<b>195,043</b>	<b>243,708</b>	<b>307,796</b>	<b>494,700</b>	<b>467,988</b>	<b>532,882</b>
<b>Total District Program Revenues</b>	<b>\$ 1,733,623</b>	<b>\$ 1,596,642</b>	<b>\$ 1,679,535</b>	<b>\$ 1,902,485</b>	<b>\$ 1,551,280</b>	<b>\$ 1,726,058</b>	<b>\$ 1,788,577</b>	<b>\$ 2,034,625</b>	<b>\$ 1,968,832</b>	<b>\$ 2,511,184</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (11,418,008)	\$ (10,148,694)	\$ (10,315,295)	\$ (10,675,655)	\$ (11,098,506)	\$ (12,526,023)	\$ (13,840,236)	\$ (15,273,879)	\$ (16,796,708)	\$ (16,624,741)
Business-Type Activities	(49,472)	(15,752)	(46,920)	(31,154)	(61,972)	22,781	72,219	107,406	37,126	(24,271)
<b>Total District-Wide Net Expense</b>	<b>\$ (11,467,480)</b>	<b>\$ (10,164,446)</b>	<b>\$ (10,362,215)</b>	<b>\$ (10,706,809)</b>	<b>\$ (11,160,478)</b>	<b>\$ (12,503,242)</b>	<b>\$ (13,768,017)</b>	<b>\$ (15,166,473)</b>	<b>\$ (16,759,582)</b>	<b>\$ (16,649,012)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied - General Purp	\$ 4,366,578	\$ 4,751,585	\$ 5,071,086	\$ 4,806,705	\$ 5,273,763	\$ 6,535,674	\$ 7,089,901	\$ 7,035,809	\$ 7,176,525	\$ 7,320,055
Taxes Levied for Debt Service	174,383									
Unrestricted Grants and Contributions	6,443,842	6,314,821	6,300,716	6,551,576	6,466,280	6,699,260	8,578,851	7,919,240	9,388,814	9,164,492
Investment Earnings	5,229	1,517	687	1,361	1,126	1,070	1,094	1,072	5,299	23,100
Miscellaneous Income	97,137	109,775	67,804	90,141	178,164	122,516	227,453	113,982	85,746	198,167
Other Adjustments			244,207	(38,350)	(23,500)	(35,381)	(7,367)	(7,367)	(23,532)	(23,532)
Transfers	(46,962)	(44,190)	(48,060)	(9,111)	(9,013)	(9,070)	(18,027)	(69,688)	(64,167)	(42,518)
<b>Total Governmental Activities</b>	<b>11,040,207</b>	<b>11,133,508</b>	<b>11,636,240</b>	<b>11,402,322</b>	<b>11,886,820</b>	<b>13,314,069</b>	<b>15,879,272</b>	<b>14,993,048</b>	<b>16,592,217</b>	<b>16,639,764</b>
<b>Business-Type Activities</b>										
Investment Earnings	69	26	9	4	4	4	8	13	6	163
Other Adjustments			(1,094)	38,350	297,222	25,000				
Transfers	46,962	44,190	48,060						(150,000)	
<b>Total Business-Type Activities</b>	<b>47,031</b>	<b>44,216</b>	<b>46,975</b>	<b>38,354</b>	<b>297,226</b>	<b>25,004</b>	<b>8</b>	<b>13</b>	<b>(149,994)</b>	<b>163</b>
<b>Total District-Wide</b>	<b>\$ 11,087,238</b>	<b>\$ 11,177,724</b>	<b>\$ 11,683,215</b>	<b>\$ 11,440,676</b>	<b>\$ 12,184,046</b>	<b>\$ 13,339,073</b>	<b>\$ 15,879,280</b>	<b>\$ 14,993,061</b>	<b>\$ 16,442,223</b>	<b>\$ 16,639,927</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (377,801)	\$ 984,814	\$ 1,320,945	\$ 726,667	\$ 788,314	\$ 788,046	\$ 2,039,036	\$ (280,831)	\$ (54,491)	\$ 15,023
Business-Type Activities	(2,441)	28,464	55	7,200	235,254	47,785	72,227	107,419	(112,868)	(24,108)
<b>Total District-Wide</b>	<b>\$ (380,242)</b>	<b>\$ 1,013,278</b>	<b>\$ 1,321,000</b>	<b>\$ 733,867</b>	<b>\$ 1,023,568</b>	<b>\$ 835,831</b>	<b>\$ 2,111,263</b>	<b>\$ 173,412</b>	<b>\$ (167,359)</b>	<b>\$ (9,085)</b>

Source: CAFR Schedule A-2

**RUNNEMEDE SCHOOL DISTRICT**  
**FUND BALANCES-GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
 (Modified Accrual Basis of Accounting)  
 (UNAUDITED)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved:	\$ 499,187	\$ 365,821	\$ 1,383,411	\$ 427,522	\$	\$	\$	\$	\$	\$
Excess Surplus					716,546	666,782	803,460	659,656	293,017	300,890
Maintenance Reserve					200,000	700,000	700,000	837,149	692,149	692,428
Capital Reserve					1,369,944	377,010	877,485	1,155,000	1,598,434	1,213,696
Assigned										
Year End Encumbrances					103,192	26,388	110,360	623	59,484	72,945
Subsequent Year's Expenditures					733,059	2,234,931	720,294	847,742	686,340	452,759
Unassigned (Deficit)	503,918	347,400	242,594	(140,989)	(181,593)	(128,240)	(151,953)	(166,866)	(123,841)	(92,186)
<b>Total General Fund</b>	<b>\$ 1,003,105</b>	<b>\$ 713,221</b>	<b>\$ 1,626,005</b>	<b>\$ 286,533</b>	<b>\$ 2,941,148</b>	<b>\$ 3,876,871</b>	<b>\$ 3,059,646</b>	<b>\$ 3,333,304</b>	<b>\$ 3,205,583</b>	<b>\$ 2,640,532</b>
All Other Governmental Funds										
Reserved	\$	\$ 51,578	\$ 3,072	\$	\$	\$	\$	\$	\$	\$
Committed to Capital Project Fund	421,509	24,583	29,019	32,091	32,091		342,272	118,904	118,904	118,904
Unassigned (Deficit)										(57,055)
<b>Total All Other Governmental Fund</b>	<b>\$ 421,509</b>	<b>\$ 76,161</b>	<b>\$ 32,091</b>	<b>\$ 32,091</b>	<b>\$ 32,091</b>	<b>\$</b>	<b>\$ 342,272</b>	<b>\$ 118,904</b>	<b>\$ 118,904</b>	<b>\$ 61,849</b>

Source: CAFR Schedule B-1

**RUNNEMEDE SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax Levy	\$ 6,095,432	\$ 6,157,891	\$ 6,551,796	\$ 6,502,000	\$ 6,630,000	\$ 6,762,600	\$ 6,897,852	\$ 7,035,809	\$ 7,176,525	\$ 7,320,055
Tuition	37,610	34,946	49,209	49,015	169,449	80,144	64,552	52,669	41,688	96,773
Interest Earnings	5,229	1,517	687	1,361	1,126	1,070	1,094	1,072	5,299	23,100
Miscellaneous	59,527	74,829	18,395	41,126	8,715	42,372	162,901	61,313	44,058	26,894
Rent										74,500
State Sources	5,042,164	5,824,349	5,656,260	6,014,785	5,934,615	6,164,241	8,066,138	6,557,760	6,930,645	8,070,101
Federal Sources	1,401,678	490,472	644,456	536,791	531,665	535,019	512,713	565,741	521,141	513,816
<b>Total Revenues</b>	<b>12,641,640</b>	<b>12,584,004</b>	<b>12,920,803</b>	<b>13,145,078</b>	<b>13,275,570</b>	<b>13,585,446</b>	<b>15,705,250</b>	<b>14,274,364</b>	<b>14,719,356</b>	<b>16,125,239</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	4,014,841	3,581,539	3,577,043	3,770,924	3,608,552	3,635,082	3,706,295	3,657,674	3,645,161	3,984,919
Special Education Instruction	885,624	978,108	1,117,505	1,205,619	1,192,569	1,253,654	1,343,669	1,355,424	1,376,517	1,252,223
Other Instruction	420,505	241,756	208,999	215,467	249,280	307,713	247,082	436,257	452,420	476,511
<b>Support Services</b>										
Tuition	778,809	943,713	605,307	569,265	399,883	413,871	587,144	537,393	548,059	310,457
Student and Instruction Related Services	1,260,296	1,285,066	1,329,739	1,380,450	1,418,875	1,575,472	1,554,972	1,788,468	1,947,897	2,440,148
School Administrative Services	353,592	364,929	367,591	395,532	403,423	370,349	371,705	394,269	401,209	422,224
General Administrative Services	652,300	610,393	539,191	562,569	614,220	525,500	598,831	593,504	611,921	612,675
Plant Operations and Maintenance	828,717	646,844	613,830	653,349	767,145	866,079	862,926	957,297	884,742	1,147,060
Pupil Transportation	394,595	294,088	226,354	264,384	290,743	311,425	334,143	265,451	270,534	244,164
Business and Other Support Services	2,809,406	3,118,199	3,057,764	3,292,419	3,299,905	3,303,859	3,639,792	3,848,183	4,110,921	4,705,804
Capital Outlay	101,428	834,286	97,581	127,111	344,977	74,359	2,915,617	313,099	683,529	1,108,642
<b>Debt Service</b>										
Principal	245,000	250,000	250,000							
Interest and Other Charges	38,743	26,125	13,125							
<b>Total Expenditures</b>	<b>12,783,856</b>	<b>13,175,046</b>	<b>12,004,029</b>	<b>12,437,089</b>	<b>12,589,572</b>	<b>12,637,363</b>	<b>16,162,176</b>	<b>14,147,019</b>	<b>14,932,910</b>	<b>16,704,827</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(142,216)	(591,042)	916,774	707,989	685,998	948,083	(456,926)	127,345	(213,554)	(579,588)
<b>Other Financing Sources (Uses)</b>										
Transfers, Net	(46,962)	(44,190)	(48,060)	(38,350)	(23,500)	(25,000)			150,000	
Cancellation of prior year Receivable						(10,381)		(7,367)		
Transfer to Charter School				(9,111)	(9,013)	(9,070)	(18,027)	(69,688)	(64,167)	(42,518)
<b>Total Other Financing Sources (Uses)</b>	<b>(46,962)</b>	<b>(44,190)</b>	<b>(48,060)</b>	<b>(47,461)</b>	<b>(32,513)</b>	<b>(44,451)</b>	<b>(18,027)</b>	<b>(77,055)</b>	<b>85,833</b>	<b>(42,518)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (189,178)</b>	<b>\$ (635,232)</b>	<b>\$ 868,714</b>	<b>\$ 660,528</b>	<b>\$ 653,485</b>	<b>\$ 903,632</b>	<b>\$ (474,953)</b>	<b>\$ (50,290)</b>	<b>\$ (127,721)</b>	<b>\$ (622,106)</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	2.2%	2.2%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

**RUNNEMEDE SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Transportation</u> <u>Fees</u>	<u>Rent</u>	<u>Miscellaneous</u>	<u>Total</u>
2019	\$ 23,100	\$ 96,773	\$ 20,991	\$ 5,254	\$ 74,500	\$ 649	221,267
2018	5,299	41,688	249	7,859		35,950	91,045
2017	1,072	52,669	30,017	40,555		305	124,618
2016	1,094	64,552	117,678			3,703	187,027
2015	162,901	80,144	12,205			25,857	281,107
2014	42,372	169,449	4,529			2,124	218,474
2013	8,715	49,015	30,583			5,297	93,610
2012	41,126	1,126	4,658			3,746	50,656
2011	18,395	1,361	52,352			15,941	88,049
2010	74,829	37,610	34,882			24,645	171,966

Source: District Records

**RUNNEMEDE SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartment</b>	<b>Total Assessed Value</b>	<b>Public Utilities <sup>a</sup></b>	<b>Net Valuation Taxable</b>	<b>Total Direct School Tax Rate <sup>b</sup></b>	<b>Estimated Actual County Equalized Value</b>
2019	\$ 3,867,600	\$ 380,498,300	\$ 73,614,400	\$ 16,397,100	\$ 26,719,000	\$ 501,096,400	\$ 1,099,979	\$ 502,196,379	1.472	\$ 517,387,346
2018	3,772,500	380,223,700	73,704,600	16,397,100	26,719,000	500,816,900	1,094,220	501,911,120	1.445	514,270,861
2017	3,765,000	380,802,400	75,358,500	16,397,100	26,719,000	503,042,000	1,061,965	504,103,965	1.410	506,449,375
2016	3,884,400	380,679,000	75,988,800	16,597,100	26,719,000	503,868,300	1,053,284	504,921,584	0.000	526,728,129
2015	3,876,000	381,090,800	75,673,700	16,597,100	26,843,000	504,080,600	1,048,625	505,129,225	1.353	526,944,737
2014	4,354,200	380,658,400	74,854,600	18,574,500	27,118,900	505,560,600	1,021,763	506,582,363	1.294	515,762,943
2013	4,788,500	381,511,400	73,710,800	19,241,100	27,118,900	506,370,700	1,242,127	507,612,827	1.294	549,113,180
2012	3,097,500	257,928,600	45,472,800	12,060,100	14,752,700	333,311,700	943,609	334,255,309	1.953	591,488,940
2011	2,856,100	257,348,900	45,272,700	12,060,100	17,052,700	334,590,500	933,735	335,524,235	1.817	591,488,940
2010	2,897,400	257,268,300	45,786,500	12,300,100	18,027,700	336,280,000	970,055	337,250,055	1.808	588,376,307

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**c** Estimate

**RUNNEMEDE SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate Per \$100 of Assessed Value)*  
*(UNAUDITED)*

Year Ended June 30,	Runnemede School District			Overlapping Rates			
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Runnemede	Regional School	Camden County	Total
2019	\$ 1.472	\$ 0.000	\$ 1.472	\$ 1.117	\$ 0.604	\$ 0.821	\$ 4.014
2018	1.445	0.000	1.445	1.073	0.577	0.842	3.937
2017	1.410	0.000	1.410	1.055	0.549	0.822	3.836
2016	1.380	0.000	1.380	1.012	0.559	0.837	3.788
2015	1.353	0.000	1.353	1.012	0.588	0.846	3.799
2014	1.378	0.000	1.378	0.984	0.568	0.802	3.732
2013	1.259	0.035	1.294	0.998	0.566	1.255	4.113
2012	1.953	0.000	1.953	1.425	0.869	1.124	5.371
2011	1.841	0.054	1.895	1.497	0.835	1.073	5.300
2010	1.767	0.050	1.817	1.379	0.835	1.054	5.085

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy . The levy when added to other components of the District's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

**a** The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

**b** Rates for debt service are based on each year's requirements.

**RUNNEMEDE SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
TNJ PROPERTIES LLC	\$ 10,205,100	2.03%	\$	
THE MEADOWS	10,028,000	2.00%	4,400,000	1.31%
HARTFORD PLAZA	8,996,300	1.79%	5,092,300	1.51%
DPE 165 RUNNEMEDE ASSOC	2,400,000	0.48%	2,091,600	0.62%
D&P 155 ASSOCIATES	2,394,200	0.48%	1,614,200	0.48%
DPE 190 RUNNEMEDE ASSOC	2,100,000	0.42%	1,540,000	0.46%
DPE 160 RUNNEMEDE ASSOC	2,000,000	0.40%	1,805,500	0.53%
HC RUNNEMEDE LLC	4,338,800	0.86%		
SINATRA CORP	3,830,600	0.76%	2,450,000	0.73%
EAST COAST ENTERPRISES	3,273,600	0.65%	2,125,100	0.63%
PRESIDENTIAL ASSOCIATES			6,000,000	1.78%
RUNNEMEDE LODGING INVESTORS			3,250,000	0.96%
Total	\$ 49,566,600	9.87%	\$ 30,368,700	9.01%

Source: District CAFR & Municipal Tax Assessor

**RUNNEMEDE SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2019	\$ 7,320,055	\$7,320,055	100.00%	
2018	7,176,525	6,578,481	91.67%	598,044
2017	7,035,809	6,897,852	94.23%	
2016	6,897,852	6,897,852	96.12%	
2015	6,897,852	6,630,000	94.26%	
2014	6,630,000	6,502,000	98.04%	
2013	6,502,000	6,374,873	100.00%	
2012	6,374,873	6,374,873	100.00%	
2011	6,157,981	6,157,981	100.00%	
2010	6,095,432	6,095,432	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F)

**Note:** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, the amount voted upon or certified prior to the end of the school year.

**RUNNEMEDE SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2019	\$	\$	\$	\$	\$		\$	
2018								
2017								
2016								
2015								
2014								
2013								
2012								
2011	250,000				250,000	0.07%	30	
2010	500,000				500,000	0.14%	89	

Source: District CAFR Schedules I-1, I-2

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**RUNNEMEDE SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2019	\$	\$	\$	\$	
2018					
2017					
2016					
2015					
2014					
2013					
2012					
2011	250,000		250,000	0.05%	30
2010	500,000		500,000	0.15%	59

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-13.

If a District has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

**RUNNEMEDE SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2019**  
*(UNAUDITED)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Borough of Runnemede	\$ 8,467,836	100.00%	\$ 8,467,836
Camden County General Obligation Debt	410,577,498	1.35%	5,540,751
Black Horse Pike Regional High School District	2,857,000	9.13%	260,910
Subtotal, Overlapping Debt			<u>14,269,497</u>
<b>Runnemede School District Direct Debt</b>			
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 14,269,497</u></u>

**Sources:** Camden County Board of Taxation

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Commercial. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

**RUNNEMEDE SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

Equalized Valuation Basis	
2018	\$ 514,185,729
2017	513,622,626
2016	504,372,673

[A] \$ 1,532,181,028

Average Equalized Valuation of Taxable Property [A/3] \$ 510,727,009

Debt Limit (3% of Average Equalization Value) [B] \$ 15,321,810 <sup>a</sup>

Net Bonded School Debt [C]

Legal Debt Margin [B-C] \$ 15,321,810

	Fiscal Year,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 17,842,928	\$ 17,780,795	\$ 17,185,675	\$ 10,762,856	\$ 16,045,255	\$ 15,674,001	\$ 15,449,574	\$ 15,210,902	\$ 15,206,183	\$ 15,321,810
Total Net Debt Applicable to Limit	500,000	250,000								
Legal Debt Margin	\$ <u>16,503,752</u>	\$ <u>17,530,795</u>	\$ <u>17,185,675</u>	\$ <u>10,762,856</u>	\$ <u>16,045,255</u>	\$ <u>15,674,001</u>	\$ <u>15,449,574</u>	\$ <u>15,210,902</u>	\$ <u>15,206,183</u>	\$ <u>15,321,810</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3%	4%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 District; other % limits would be applicable for other Districts

**RUNNEMEDE SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income (thousands of dollars)</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>
2019 *	8,322	\$ 491,894,498	\$ 59,108	4.4%
2018	8,318	460,609,250	55,375	4.6%
2017	8,313	431,261,814	51,878	4.8%
2016	8,328	415,034,208	49,836	5.8%
2015	8,325	404,919,675	48,639	6.4%
2014	8,342	389,279,430	46,665	8.4%
2013	8,374	377,499,920	45,080	10.1%
2012	8,423	374,823,500	44,500	11.7%
2011	8,444	369,433,444	43,751	10.0%
2010	8,463	354,041,142	41,834	9.4%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\* Estimate

**RUNNEMEDE SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Cooper Health System				
American Water Works				
Bancroft NeuroHealth				
Campbell Soup Co.				<b>Not Available</b>
Diocese of Camden NJ, Inc.				
Kennedy University Hospital				
Virtua - West Jersey Health System				
Our Lady of Lourdes Med. Ctr.				
Global Aluminum (USA)				
Lockheed Martin				

\*Information from Camden County Website. The number of employees per company was not available for the following companies: Campbell Soup Co., Diocese of Camden NJ, Inc., Kennedy University Hospital, Virtua - West Jersey Health System, Our Lady of Lourdes Med. Ctr., Global Aluminum (USA), and Lockheed Martin.

**RUNNEMEDE SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	68	67	67	57	57	59	55	55	55	59
Special Education	12	20	20	28	16	17	15	17	18	17
Support Services:										
Tuition										
Student & Instruction Related Service	4	15	15	17.5	32	34	39.1	39	40.5	39
General Administrative Services	4	2	2	2	2	2	2	2	2	2
School Administrative Services	5	7	7	8	7	9	9	9	9	9
Business Administrative Services	3	3	3	3	5.5	5	6.4	6	6.4	6.4
Plant Operations and Maintenance	12	12	12	12.5	9.5	9.5	11	12	12	12.5
Food Service	1			4	4	3	3	3	3	3.5
Total	<u>109</u>	<u>126</u>	<u>126</u>	<u>132</u>	<u>133</u>	<u>139</u>	<u>141</u>	<u>143</u>	<u>146</u>	<u>148</u>

Source: District Personnel Records

**RUNNEMEDE SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio</u>		<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle</u>				
2019	840	\$ 15,596,185	\$ 18,567	19.3%	76	1:11	1:11	829.15	788.09	-2.50%	95.05%
2018	852	14,249,381	16,725	15.8%	79	1:11	1:10	850.6	807.3	-0.60%	94.91%
2017	850	13,833,920	16,275	12.7%	79	1:11	1:10	854.6	814	-0.13%	95.25%
2016	851	13,246,559	15,566	7.8%	77	1:11	1:10	857.8	815	0.25%	95.01%
2015	870	12,563,004	14,440	-0.9%	78	1:13	1:09	855.7	812.5	1.65%	94.95%
2014	840	12,243,465	14,576	1.0%	81	1:12	1:90	841.8	799.04	-1.60%	94.92%
2013	853	12,309,978	14,431	4.5%	86	1:11	1:10	855.5	810.3	1.64%	94.72%
2012	862	11,906,448	13,813	-6.9%	82	1:08	1:12	841.7	801.7	1.29%	95.25%
2011	832	12,340,760	14,833	1.9%	87	1:11	1:07	831.0	779.0	0.37%	93.74%
2010	852	12,398,685	14,552	3.9%	80	1:13	1:08	827.9	777.5	1.16%	93.91%

**Sources:** District records, ASSA

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>District Building</b>										
<b><u>Elementary</u></b>										
Bingham Elementary (1929)										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	191	191	191	191	191	191	191	191	191	191
Enrollment	182	205	208	195	194	210	188	183	180	172
Downing Elementary (1930)										
Square Feet	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315
Capacity (Students)	162	162	162	162	162	162	162	162	162	162
Enrollment	178	168	170	177	168	159	160	169	184	172
<b>Middle School</b>										
Volz Middle School (1956)										
Square Feet	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268
Capacity (Students)	468	468	468	468	468	468	468	468	468	468
Enrollment	468	458	464	481	478	501	503	498	488	496
<b>Other</b>										
Garage										
Square Feet	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132

Number of Schools at June 30, 2019

- Elementary = 2
- Middle = 1
- High School = 0
- Other = 1

**Source:** District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October District count.

**RUNNEMEDE SCHOOL DISTRICT**  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

**UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**11-000-261-XXX**

School Facilities	Gross Square Footage	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Bingham School	25,050	\$ 31,511	\$ 40,032	\$ 30,464	\$ 22,126	\$ 13,781	\$ 26,960	\$ 22,500	\$ 16,720	\$ 14,318	\$ 26,359	\$ 218
Downing School	23,315	42,176	42,585	34,375	19,654	16,543	19,995	17,973	13,631	12,378	46,168	35
Volz School	70,268	117,253	62,064	114,203	88,845	84,184	44,401	49,407	42,974	36,999	29,531	14,527
<b>Total School Facilities</b>		<b>190,940</b>	<b>144,681</b>	<b>179,042</b>	<b>130,625</b>	<b>114,508</b>	<b>91,356</b>	<b>89,880</b>	<b>73,325</b>	<b>63,695</b>	<b>102,058</b>	<b>14,780</b>
Other Facilities	2,132											
<b>Grand Total</b>		<b>\$ 190,940</b>	<b>\$ 144,681</b>	<b>\$ 179,042</b>	<b>\$ 130,625</b>	<b>\$ 114,508</b>	<b>\$ 91,356</b>	<b>\$ 89,880</b>	<b>\$ 73,325</b>	<b>\$ 63,695</b>	<b>\$ 102,058</b>	<b>\$ 14,780</b>

**RUNNEMEDE SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
NJ School Boards Association			
Insurance Group			
	Building and Contents (All Locations)		
	Blanket Real & Personal Property	\$ 350,000,000	\$ 5,000
	Blanket Extra Expense	50,000,000	5,000
	Equipment Breakdown	100,000,000	5,000
	Valuable Papers	10,000,000	5,000
	Pollutant Cleanup & Removal	250,000	1,000
	General Liability	6,000,000	
	Automobile Liability	6,000,000	1,000
	Worker's Compensation		
	Professional & Clerical	6,731,575	
	Non-Professional & Driver	417,816	
	Employer	2,000,000	
	Crime & Bonds		
	Faithful Performance	100,000	500
	Forgery & Alteration	25,000	500
	Money & Securities	10,000	500
	Money Orders/Counterfeit	25,000	500
	Computer Fraud	100,000	500
	Catastrophic Student Accident Coverage		
	Accident Medical Expense Benefit	6,000,000	
	Catastrophic Cash Benefit	1,000,000	
	Surety Bonds		
	Treasurer	200,000	1,000
	Board Secretary	50,000	1,000

**SINGLE AUDIT SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Runnemede School District  
County of Camden, New Jersey 08078

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board of Education of the Runnemede School District's basic financial statements, and have issued our report thereon dated November 13, 2019.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Runnemede Board of Education's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Runnemede Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Runnemede Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Runnemede Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
November 13, 2019

# NIGHTLINGER, COLAVITA & VOLPA

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## REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

### INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Runnemede School District  
County of Camden, New Jersey 08078

#### Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Runnemede School District's major federal and state programs for the year ended June 30, 2019. The Runnemede Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Runnemede Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey Treasury Circular OMB 15-08*. Those standards, *Uniform Guidance and New Jersey OMB 15-08*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred.

An audit includes examining, on a test basis, evidence about the Runnemede Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Runnemede Board of Education's compliance.

## Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2019.

## Report on Internal Control Over Compliance

Management of the Runnemede School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Runnemede Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Treasury 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over compliance.

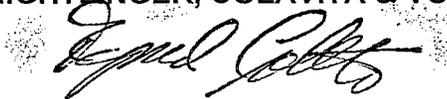
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance considered to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 13, 2019. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, the Runnemede Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,  
**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant No. 915  
November 13, 2019

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2019				
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor		
<b>U.S. Department of Education</b>																	
General Fund																	
Medicaid Assistance Program	93.778	1905NJ5MAP	N/A	37,891	7/1/18	6/30/19		\$ 37,891	\$ (37,891)		\$ (37,891)						
Total General Fund								37,891	(37,891)		(37,891)						
<b>U.S. Department of Agriculture</b>																	
<b>Passed-through State Department of Education:</b>																	
Enterprise Fund:																	
Child Nutrition Cluster:																	
Cash Assistance:																	
School Breakfast Program	10.553	191NJ304N1099	N/A	31,572	7/1/18	6/30/19		29,606	(31,572)		(31,572)		\$ (1,966)				
School Breakfast Program	10.553	181NJ304N1099	N/A	57,170	7/1/17	6/30/18	\$ (2,646)	2,646									
National School Lunch Prog.	10.555	191NJ304N1099	N/A	113,430	7/1/18	6/30/19		107,307	(113,430)		(113,430)		(6,123)				
National School Lunch Prog.	10.555	181NJ304N1099	N/A	113,765	7/1/17	6/30/18	(6,679)	6,679									
Non-Cash Assistance:																	
Food Distribution Program	10.565	Unknown	N/A	11,497	7/1/18	6/30/19		11,497	(10,619)		(10,619)			\$ 878			
Total Enterprise Fund								(9,325)	157,735	(155,621)	(155,621)		(8,089)	878			
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education:</b>																	
Special Revenue Fund:																	
ESEA																	
Title I	84.010	S010A180030	ESEA0950-18	172,467	7/1/18	6/30/19		156,310	(172,467)		(172,467)	\$ 23	(16,134)				
Title I	84.010	S010A170030	ESEA0950-18	175,436	7/1/17	6/30/18	(2,422)	2,422									
Title II A	84.367A	S367A180029	ESEA0950-18	23,009	7/1/18	6/30/19		19,626	(23,009)		(23,009)		(3,383)				
Title II A	84.367A	S367A170029	ESEA0950-18	26,406	7/1/17	6/30/18	(751)	751									
Title IV A	84.424	S424A180031	ESEA0950-18	10,325	7/1/18	6/30/19		9,853	(10,325)		(10,325)		(472)				
IDEA Cluster:																	
I.D.E.A. Part B, Pre-school	84.173	H173A180114	IDEAPS0950-18	13,858	7/1/18	6/30/19		13,858	(13,858)		(13,858)						
I.D.E.A. Part B Basic	84.027	H027A180100	IDEA0950-18	257,635	7/1/18	6/30/19		247,932	(256,266)		(256,266)		(8,334)				
I.D.E.A. Part B Basic	84.027	H027A170100	IDEA0950-17	256,194	7/1/17	6/30/18	(8,615)	8,615									
Total Special Revenue Fund								(11,788)	459,367	(475,925)	(475,925)	23	(28,323)				
Total Federal Financial Awards								\$ (21,113)	\$ 654,993	\$ (669,437)	\$ (669,437)	\$ 23	\$ (36,412)	\$ 878			

(A) There were no awards passed through to subrecipients.

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule. These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT K-4

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018		Cash Received	Budgetary Expenditures	Repayment of Prior Year Balance	Adjustment	Balance at June 30, 2019		MEMO		
			From	To	(Accounts Receivable)	Due To Grantor					(Accounts Receivable)	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education:</b>															
General Fund:															
Equalization Aid	18-495-034-5120-078	4,326,621	7/1/17	6/30/18	\$ (417,786)		\$ 417,786								
Equalization Aid	19-495-034-5120-078	4,326,621	7/1/18	6/30/19			3,886,780	\$(4,326,621)			\$ (439,841)		\$ (439,841)	\$ 4,326,621	
Special Education Aid	18-495-034-5120-089	481,898	7/1/17	6/30/18	(46,533)		46,533								
Special Education Aid	19-495-034-5120-089	481,898	7/1/18	6/30/19			432,909	(481,898)			(48,989)		(48,989)	481,898	
School Choice Aid	18-495-034-5120-068	89,353	7/1/17	6/30/18	(8,628)		8,628								
School Choice Aid	19-495-034-5120-068	102,397	7/1/18	6/30/19			91,987	(102,397)			(10,410)		(10,410)	102,397	
Transportation Aid	18-495-034-5120-014	21,255	7/1/17	6/30/18	(2,052)		2,052								
Transportation Aid	19-495-034-5120-014	166,787	7/1/18	6/30/19			149,832	(166,787)			(16,955)		(16,955)	166,787	
Security Aid	18-495-034-5120-084	41,674	7/1/17	6/30/18	(4,024)		4,024								
Security Aid	19-495-034-5120-084	175,149	7/1/18	6/30/19			157,344	(175,149)			(17,805)		(17,805)	175,149	
Under Adequacy Aid	18-495-034-5120-096	496	7/1/17	6/30/18	(48)		48								
Additional Adjustment Aid	18-495-034-5120-085	8,123	7/1/17	6/30/18	(784)		784								
PARCC Readiness Aid	18-495-034-5120-098	7,940	7/1/17	6/30/18	(767)		767								
Per Pupil Growth Aid	18-495-034-5120-097	7,940	7/1/17	6/30/18	(767)		767								
Prof Learning Comm Aid	18-495-034-5120-101	6,390	7/1/17	6/30/18	(810)		810								
Host District Aid	18-495-034-5120-102	858	7/1/17	6/30/18	(83)		83								
Extraordinary Aid	18-100-034-5120-473	182,282	7/1/17	6/30/18	(182,282)		182,282								
Extraordinary Aid	19-495-034-5120-044	247,764	7/1/18	6/30/19				(247,764)			(247,764)			247,764	
Non-public Transportation Aid	18-495-034-5120-014	4,060	7/1/17	6/30/18	(4,060)		4,060								
Non-public Transportation Aid	19-495-034-5120-014	4,640	7/1/18	6/30/19				(4,640)			(4,640)			4,640	
Reimbursed TPAF Social Security Contril	18-495-034-5094-003	408,370	7/1/17	6/30/18	(20,285)		20,285								
Reimbursed TPAF Social Security Contril	19-495-034-5094-003	414,430	7/1/18	6/30/19			393,702	(414,430)			(20,728)			414,430	
Homeless Tuition Aid	N/A	7,760	7/1/17	6/30/18	(7,760)		7,760								
Homeless Tuition Aid	N/A	5,438	7/1/18	6/30/19				(5,438)			(5,438)			5,438	
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	1,031,576	7/1/18	6/30/19			1,031,576	(1,031,576)						1,031,576	
On-Behalf TPAF Post Retirement Medica	19-495-034-5094-001	467,921	7/1/18	6/30/19			467,921	(467,921)						467,921	
On-Behalf Long-term Disability	19-495-034-5094-004	1,370	7/1/18	6/30/19			1,370	(1,370)						1,370	
<b>Total General Fund</b>					<b>(696,669)</b>		<b>7,310,090</b>	<b>(7,425,991)</b>			<b>(812,570)</b>		<b>(534,000)</b>	<b>7,425,991</b>	
<b>Capital Projects Fund:</b>															
NJSDA - Bingham School	4590-020-14-1001	412,879	7/1/15	6/30/16	(97,104)						(97,104)		*	370,914	
NJSDA - Downing School	4590-030-14-1002	201,200	7/1/15	6/30/16	(45,195)						(45,195)		*	201,200	
NJSDA - Mary E. Volz School	4590-040-14-1003	1,278,074	7/1/15	6/30/16	(324,782)		127,746				(197,036)		*	1,176,753	
					<b>(467,081)</b>		<b>127,746</b>				<b>(339,335)</b>			<b>1,748,867</b>	
<b>Special Revenue Fund:</b>															
Preschool Expansion Aid	19-495-034-5120-086	570,555	7/1/18	6/30/19			513,600	(570,555)			(57,055)			570,555	
N.J. Nonpublic Aid:															
Security Aid	18-100-034-5120-509	11,250	7/1/17	6/30/18		\$ 7			\$ (7)						
Security Aid	19-100-034-5120-509	21,750	7/1/18	6/30/19			21,750	(21,750)					*	21,750	
Textbook Aid	19-100-034-5120-064	7,743	7/1/18	6/30/19			7,743	(7,743)					*	7,743	
Nursing Aid	19-100-034-5120-070	14,065	7/1/18	6/30/19			14,065	(14,064)				\$ 1	*	14,064	
Nursing Aid	18-100-034-5120-070	14,550	7/1/17	6/30/18		1			(1)				*		
Technology Aid	19-100-034-5120-373	5,220	7/1/18	6/30/19			5,220	(5,220)					*	5,220	
Auxiliary Services:															
Compensatory Education Aid	19-100-034-5120-067	60,914	7/1/18	6/30/19			60,914	(50,929)				9,985	*	50,929	
Compensatory Education Aid	18-100-034-5120-067	61,566	7/1/17	6/30/18		8,595			(8,595)				*		
Transportation Aid	19-100-034-5120-068	62,463	7/1/18	6/30/19			62,463	(62,276)				187	*	62,276	
Transportation Aid	18-100-034-5120-068	35,773	7/1/17	6/30/18		26,956			(26,956)				*		
Handicapped Services:															
Supplemental Instruction Aid	19-100-034-5120-066	22,599	7/1/18	6/30/19			22,599	(15,383)				7,216	*	15,383	
Supplemental Instruction Aid	18-100-034-5120-066	22,837	7/1/17	6/30/18		8,644			(5,452)	\$ (3,192)			*		
Examination & Classification Aid	19-100-034-5120-066	35,669	7/1/18	6/30/19			35,669	(18,382)				17,287	*	18,382	
Examination & Classification Aid	18-100-034-5120-066	27,666	7/1/17	6/30/18		14,012			(14,012)				*		
Corrective Speech	19-100-034-5120-066	20,534	7/1/18	6/30/19			20,534	(12,142)				8,392	*	12,142	
Corrective Speech	18-100-034-5120-066	15,624	7/1/17	6/30/18		6,785			(6,785)				*		
<b>Total Special Revenue Fund</b>						<b>65,000</b>	<b>764,457</b>	<b>(778,444)</b>	<b>(61,808)</b>	<b>(3,192)</b>	<b>(57,055)</b>	<b>43,068</b>		<b>778,444</b>	
<b>State Department of Agriculture:</b>															
Enterprise Fund:															
School Lunch Prog.	18-100-010-3350-023	2,611	7/1/17	6/30/18	(156)		156								
School Lunch Prog.	19-100-010-3350-023	2,617	7/1/18	6/30/19			2,476	(2,617)			(141)		*	2,617	
<b>Total Enterprise Fund</b>					<b>(156)</b>		<b>2,632</b>	<b>(2,617)</b>			<b>(141)</b>			<b>2,617</b>	
<b>Total State Financial Assistance</b>					<b>\$ (1,163,906)</b>	<b>\$ 65,000</b>	<b>\$ 8,204,925</b>	<b>\$(8,207,052)</b>	<b>\$ (61,808)</b>	<b>\$ (3,192)</b>	<b>\$ (1,209,101)</b>	<b>\$ 43,068</b>	<b>\$ (534,000)</b>	<b>\$ 9,955,919</b>	
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	1,031,576	7/1/18	6/30/19			\$ 1,031,576	\$(1,031,576)							
On-Behalf TPAF Post Retirement Medica	19-495-034-5094-001	467,921	7/1/18	6/30/19			467,921	(467,921)							
On-Behalf Long-term Disability	19-495-034-5094-004	1,370	7/1/18	6/30/19			1,370	(1,370)							
<b>Total State Financial Assistance - Major Program Determinations</b>							<b>\$ 6,704,058</b>	<b>\$(6,706,185)</b>							

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2019**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Runnemedede School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$51,718) for the general fund and (\$82,616) for the special revenue fund. See Note A (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2019**  
(Continued)

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 37,891	\$ 7,374,273	\$ 7,412,164
Special Revenue Fund	475,925	695,828	1,171,753
Food Service Fund	155,621	2,617	158,238
Total Awards & Financial Assistance	<u>\$ 669,437</u>	<u>\$ 8,072,718</u>	<u>\$ 8,742,155</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

The Runnemede School District had no outstanding loans as of June 30, 2019.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

**NOTE 7: SCHOOLWIDE PROGRAM FUNDS**

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

**NOTE 8: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

**NOTE 9: ADJUSTMENTS**

There was a \$23 adjustment on Schedule of Federal Award and an adjustment on the Schedule of State Financial Assistance in the amount of (\$3,192) from prior year balances, as reflected on Schedule A and Schedule B respectively.

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? \_\_\_\_\_ yes   X   no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes   X   none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes   X   no

**Federal Awards**

Internal control over major programs: **N/A**

- 1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a)? \_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

CFDA Number(s)	<u>FAIN Number(s)</u>	Name of Federal Program or Cluster
N/A		

Dollar threshold used to distinguish between type A and type B programs (section .518): **N/A**

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no



**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
**(continued)**

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

**Finding:**           N/A

**Criteria or specific requirement:**

**Condition:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
**(Continued)**

**Section III - Federal Awards and State Financial Assistance**  
**Findings and Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

**FEDERAL AWARDS**    N/A

**Finding:**

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**STATE AWARDS**        N/A

**Finding:**

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**RUNNEMEDE SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08.

**STATUS OF PRIOR - YEAR FINDINGS**      N/A

**Finding:**

**Condition:**

**Current Status:**